

New York

Still bullish

...and the fact that the ...

Your savings and investments

Rescue plans
& Nation Life

ERIC SHORT

THE INSURANCE industry has at long last formulated plans which will give some help to certain classes of policyholders in Nation Life. Last week it was announced that two groups of insurance companies—one conventional and the other unit-linked—had drawn up schemes which would enable investors to continue their life cover and for payments to be resumed to ordinary annuitants.

But the most important feature is the offer to make a payment of 90 per cent of the admissible death claims for all cases where the policyholder has died since liquidation (July 29) and for those cases where death occurred prior to liquidation but was not settled. This represents a valuable service to the dependents of such policyholders, since the claim on the liquidation for deaths subsequent to July 29 is only the surrender value at that date.

The administration of unit-linked death claims is being handled by Nation Life and application should be made there rather than to any member of the rescue consortium. For orthodox cases, Eagle Star, the leading company in the consortium, has already contacted the representatives of the deceased.

For the 2,500 people with ordinary regular premium contracts, the ordinary offices are offering policies of the same type as held in Nation Life without any evidence of health, in exchange for their ultimate rights in the liquidation. The premiums payable will be the same as under the original contract and any premiums due but unpaid since liquidation may be paid within twelve months.

The sum assured under the new policies is calculated on a rather complex formula—90 per cent of the sum assured secured by premiums paid prior to liquidation plus 100 per cent of the sum assured secured by the balance. For example, on a 20-year policy for a sum assured of £1,000 where five years' premiums were paid before liquidation, the sum assured on the new policy would be calculated as follows:

Secured prior to liquidation:

90% of 5/20 of £1,000 = £225

Secured subsequently:

100% of 15/20 of £1,000 = £750

New sum assured = £975

New with-profits contracts will be issued by the Prudential and all other policies by the Eagle Star. Any existing bonuses will be reduced by 10 per cent, but future bonuses will be at the full Prudential rate starting from the next declaration to be made for the year to December 31, 1975. For annuities in the course of payment (but not Guaranteed Income Bonds) the consortium will resume payments of 90 per cent of the original amounts.

Mr. David Jackson, the chairman of the policyholders' protection committee said that now that the principle of rescue has been established, surely the insurance industry cannot differentiate between the various classes of policyholders and rescue some and not others. But no one has come forward from the insurance industry to even hint at a rescue scheme for GIB holders.

However, the brokers Anthony Gibbs (Personal Financial Planning) has said it regards its function as ensuring that GIB holders are properly represented in the forthcoming hearing. So the company is prepared to meet the legal costs of such representations. Approximately one-quarter of the GIBs issued by Nation Life were sold through Anthony Gibbs.

What the events of the past few years have taught everyone is the importance of having a spread of investments, for one by one the latest "sure" ways to make money have had their fling and subsequently faded. But they do come back again. The latest example is gold coins, for old and new domestic overvalued plus kruggerands have improved substantially since the Budget. And if the vote is "no" and sterling comes under increasing pressure, the premiums on gold coins are likely to increase even more.

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profits at the moment, for whatever the result of the referendum—the subsequent course of the stock market is difficult to predict from that point on.

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Renewed interest in property bonds

BY CHRISTOPHER HILL

AFTER the heyday of property bonds in 1973, the lure of property as an investment which seems to combine "growth with security" has tended to diminish.

In particular, the general experience in 1974 was that single premium investment sank to a rock bottom level and the contractual plans took up part of the slack. But since the beginning of the year the situation seems to have changed in some quarters.

Abbey Life, for example, reckons that its property bond sales are running at over £2m. per month—which may be a heavy fall from the £5-£7m. monthly rate achieved in 1973 but is a great deal better than the minus position which was the case at the end of last year.

According to Abbey, the lifting of the rent freeze led to a favourable response from investors and since the beginning of the year the unit value of the £150m. Abbey property bond fund has increased by 15 per cent, or so. The question for investors now is whether Abbey's experience is a result of improving its commission rates (the qualifying limit for a bulk sales commission was lowered) or whether it heralds a recovery in the property field.

Abbey seems to be relatively modest at about 12 per cent, but it rises to over 20 per cent in the case of Hambro Life. And Property Growth reckons that although interest in property has started to pick up, it does not wish to "jump on the bandwagon" as yet. The feeling at Property Growth is that it is

Liquid emphasis

No one is interested in property development any more; investment in European property has ground to a halt; and there is still an emphasis on liquidity.

Abbey seems to be relatively modest at about 12 per cent, but it rises to over 20 per cent in the case of Hambro Life. And Property Growth reckons that although interest in property has started to pick up, it does not wish to "jump on the bandwagon" as yet. The feeling at Property Growth is that it is

too early to take a view and there is a very real fear throughout the property business of appearing too eager to take the public's money in a doubtful climate.

This is not to say that the fund managers feel that there is a blight over the future of commercial and industrial property. Save and Prosper seems to be warming up for a bit of promotion and others like Hambro Life and Merchant Investors reckon that the bottom has been reached and that there must be an eventual correction of the current position that the cost of developing a property is greater than the rental income which can be obtained.

Meanwhile property yields at the quality end of the market are looking attractive compared to equities, which accounts for the renewed investment interest by institutions. The fly in the ointment is really London, where it is generally admitted that rents are falling.

My opinion is that property is best considered as part of an individual's portfolio and that it would be an unhappy state of affairs if one returned to the situation where investors thought that they could not go wrong on property. The value placed on commercial and industrial property is after all dependent on the general economic prosperity of the country in the

long run. And it always seemed incongruous that U.K. property was more highly rated than that of our more prosperous partners in the EEC. Having said that, it still makes sense to buy an investment when it is no longer generally favoured—and property is no exception.

Private placings

BY DAVID WRIGHT

MASTERING the problems of rights issues, whether to subscribe for new shares or not, could not have been an easy exercise for the small shareholder, despite the abundance of advice that has been filling the newspaper over the past hectic three months. But, just when an investor may be getting to grips with the situation, along comes another alternative fund raising method—the private placing.

Two such issues have been announced this week bringing the total to four since the Stock Exchange relaxed its regulations on private placing by public companies back in January.

Worries over the low level of equity values and the inability of companies to raise funds by the traditional rights issue method prompted the Stock Exchange to abolish the ceiling of £1m. on equity placings by public companies. The upsurge in equity prices since then has placed on commercial and industrial property is after all dependent on the general economic prosperity of the country in the

Why then have we seen two such issues this week and how should existing shareholders, who are not being given the opportunity to increase or maintain their original stake, vote at the EGM?

All the four companies that have used this placing method rather than the popular rights issue have done so for a number of basic reasons, which are unlikely to result in a spate of such issues.

Staveley, which raised £2.87m. this week by a placing, needed an injection of cash (with total borrowing of £12m. against shareholders' funds of £15.6m.) but, as much as it would have liked to, it could not make a rights issue. The share price was not sufficiently over the nominal value to allow for the accepted discount to get a rights issue off the ground. The company therefore has to use the placing method.

The other company making a placing this week, Plastic Construction, preferred to use this method because funds were available on better terms than if it had used a rights issue.

Petrocon was able to get a price higher than that prevailing in the market, since there was very little stock available, and it was generally felt that a sizeable line of stock was worth a premium. Moreover, the directors, who held some 40 per cent. of the equity before the issue, were content to see their stake eroded somewhat. Again shareholders were given the sweetener of a big jump in dividend.

The fourth company, Spear and Jackson, which in fact was the first to use the method, needed cash after its French acquisition. It chose this method because funds were available on better terms than if it had used a rights issue.

The directors hold

Investor
confidence

Barclays Unicorn offer you 3 ways to benefit

In recent months investors, including the large institutions, have been returning to ordinary shares. This shows their confidence in the long-term future of this kind of investment. There is a growing realisation that shares can help to fight inflation at its current high rate.

Although caution is still necessary, Barclays Unicorn share this view and believe also that one of the best ways to benefit is by investing in a well-run unit trust.

Today, Barclays Unicorn are offering shares in Unicorn Extra Income Trust. This is predominantly invested in shares chosen for their high yield and for some prospects for capital growth as industries weather the storm. The yield (estimated gross at 15 May 1975) is as high as 8.95%.

Unicorn Extra Income Trust brings you the benefits of a widely spread portfolio and of experienced investment management. The aim is to provide a high and growing income together with conservation of capital in the long term from a portfolio mainly of ordinary shares. You should regard your investment as a long-term one.

You should remember that the price of shares and the income from them can go down as well as up.

We offer three ways to invest: with a lump sum from £100 upwards; by regular savings from £4 a month; or by exchanging your existing shares in any quoted company for a holding in the Trust. One or other method should be the best one for you.

A broad spread

BY CHRISTOPHER HILL

FOLLOWING last week's article about the possible effects of a "no" answer to EEC referendum, the most important question for the individual at the moment is how he should structure his portfolio. This is in the light of the known propensity of institutions to count on a "yes" vote and to be taking on an increasing commitment to the U.K. equity market—even if this is in the guise of stocks and overseas assets. Admittedly some have said that they are deferring new purchases, but they are inevitably in a far less flexible position than individuals.

If I were an individual with a large commitment to the U.K. equity market at the moment, I would be tempted to take some

profits at the moment, for whatever the result of the referendum—the subsequent course of the stock market is difficult to predict from that point on.

What the events of the past few years have taught everyone is the importance of having a spread of investments, for one by one the latest "sure" ways to make money have had their fling and subsequently faded. But they do come back again. The latest example is gold coins, for old and new domestic overvalued plus kruggerands have improved substantially since the Budget. And if the vote is "no" and sterling comes under increasing pressure, the premiums on gold coins are likely to increase even more.

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Invest a lump sum
of £100 or more

You can invest in Unicorn Extra Income Trust with a lump sum of £100 or more. All you need do is fill in the application form below and send it to us with your cheque.

A lump sum investment now would enable you to benefit most from future rises in share prices. A lump sum also generates an attractively high income.

Income is distributed half-yearly on 1st June and 1st December. It is paid net of basic rate tax and you will receive a tax voucher which will enable you to claim a refund from the Inland Revenue if your circumstances permit.

LUMP SUM APPLICATION FORM

Please complete this form and return it to:
Barclays Unicorn Limited, Unicorn House, 252 Romford Road, London E7 9JB.

Registered office: 54 Lombard St., London EC3P 3AH. Registered in England No. 589407

Signature _____

Forwards in full _____

Address _____

I/We wish to invest _____ in shares of Unicorn Extra Income Trust and enclose a cheque for this amount.

Please make cheques payable to Barclays Unicorn Limited.

*I wish to purchase these shares through my Barclays Account.

*Delete if not required

My Barclays Card No. is _____

I understand that shares will be bought for me at the offer price prevailing on the day of the receipt of this application.

A contract note showing the number of shares purchased will be sent to you.

Please tick here if you want your income automatically reinvested ☐

I/We declare that I am/We are over 18 and am/not resident outside the Scheduled Territories not acquiring the shares as the nominee(s) of any person(s) resident outside these Territories.

If you are unable to make this declaration, it should be deleted and the form lodged through your bank, stockbroker or any other authorised intermediary. This offer is not available to residents of the Republic of Ireland.

This application form, together with your cheque, should be returned to Barclays Unicorn Limited.

Application may also be made through any bank, stockbroker, solicitor or accountant. Commission shall be paid by the Manager to all authorised agents forwarding applications to invest.

Agent's VAT Reg. No. _____

Signed _____

In the case of joint applications all must sign

Date _____

FOR OFFICE USE ONLY

FY706/LSUK

MONTHLY SUBSCRIPTION APPLICATION FORM

Please complete both parts of this form and return it to:
Barclays Unicorn Limited, Unicorn House, 252 Romford Road, London E7 9JB.

Registered office: 54 Lombard St., London EC3P 3AH. Registered in England, No. 589407

Please open a Savings Account in Unicorn Extra Income Trust. I enclose a first subscription of _____ £

Please make cheques payable to Barclays Unicorn (Trustees) Limited.

I/We declare that I am/We are over 18 and am/not resident outside the Scheduled Territories not acquiring the shares as the nominee(s) of any person(s) resident outside these Territories. I/we request Barclays Unicorn (Trustees) Limited to act as the nominee shareholder of the shares to be acquired. If you are unable to make this declaration, it should be deleted and the form lodged through your bank, stockbroker or any other authorised intermediary. This offer is not available to residents of the Republic of Ireland.

Signature _____

In the case of joint applications all must sign.

Name in full _____

Address _____

I/We wish to invest _____ in shares of Unicorn Extra Income Trust and enclose a cheque for this amount.

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Date _____

FOR OFFICE USE ONLY

FY706/MSUK

Exchange your shares
for a unit trust holding

If you are a shareholder in one or more UK quoted companies, you may be concerned about what to do and welcome an opportunity to switch into a shareholding in Unicorn Extra Income Trust. We have a Share Exchange Plan specially for that purpose.

One of its major attractions today is the opportunity to reduce the worry of looking after a private portfolio by switching to a wide spread of investments supervised on a day-to-day basis. By exchanging from shares to a unit trust holding, you retain the prospect of capital growth as equity markets recover. For details of the Plan please send off the coupon below.

SHARE EXCHANGE

To: Barclays Unicorn Limited, Unicorn House, 252 Romford Road, London E7 9JB or 35 Castle Street, Edinburgh EH2 3DS

Please send me full details of the Barclays Unicorn Share Exchange Plan.

Name _____

Address _____

Charges: The buying price of your unit trust shares includes an initial management charge of 5%. After that a half-yearly charge of 3/16th of 1% (plus VAT) will be made on the value of the Trust Fund. This will be deducted from the income of the Fund.

If you need any advice about this investment, consult your bank manager, stockbroker, solicitor, or other professional adviser.

Managers: Barclays Unicorn Limited, Unicorn House, 252 Romford Road, London E7 9JB. Tel: 01-534 8521.

(Members of the Association of Unit Trust Managers.)

Trustee: Royal Exchange Assurance.



BARCLAYS UNICORN

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A financial service of the Barclays Bank Group

Finance and the family

Shares owned by foreigners

BY OUR LEGAL STAFF

I am holding "De Beers" shares bought when I was a non-resident (Dutch national and never having lived in U.K.) and paid the purchase price minus 25 per cent. In September, 1972, at the end of May I will be transferred to the U.K. for two years. What will happen when I want to sell those shares in London as regards dollar premium and the 25 per cent. surrender rule after I have become a U.K. resident?

You can appoint a trustee or trustees in this country and donate the annual sum which you wish to give to such trustee(s) to be held on trust for your son. While you could yourself be such a trustee, it is very much to be preferred to have some other person in that capacity.

Premium-worthy shares

We have lived abroad for seven years. If we return to the U.K. is it correct that our capital invested in foreign shares will have to be lodged with an authorised depositary and cannot be sold for two years, when they will attract the premium?

From the description of your circumstances in your letter it appears that your holdings of foreign shares, if bought out of overseas earnings, would become premium-worthy two years after your becoming resident in this country. They should certainly be lodged with an authorised depositary.

Surface of a right of way

With reference to your reply on March 8 regarding rights of way in Scotland, could you say how long uninterrupted use confers such a right in England? New owners of a neighbouring farm are talking of breaking up the concrete on a road they own, but which appears to be a right of way to a small farm. Can they do this?

A private right of way (easement) is acquired by 20 years or more of prescription that is open use as of right without permission being sought or given. A public right of way is acquired by dedication to the public, but this may be inferred from long unimpeded use by the public. Again 20 years' use will raise a presumption that there has been such dedication; but a notice claiming ownership or occasional closing of the way by the owner may displace that presumption. If a right of way has been acquired, the land owner cannot break up the surface of the way, so as to make it less commodious.

Gifts to son in Canada

As our son lives in Canada, we cannot send him more than £300 a year. Can you suggest how we can give him up to £1,000, even if the money has to stay here?

Refusal to deliver

The previous time my lawn mower was serviced it did not work satisfactorily. On the last occasion, after some months and various disputes, when a man came with it, he parked his van some distance away and refused to bring it to the door until I had paid for it. Now the manager talks of selling it. What do you advise?

Private company's shares

My brother and I each own half the issued share capital of a private company, £2,000 each in ordinary shares. The company also has loans from relatives on which it pays interest, but as the total interest paid, £990, exceeds 12 per cent.

An unsatisfactory radio set

I bought an expensive radio recorder set some months ago, which has never been satisfactory. Reception has been poor and though an outside aerial was fitted, it has hardly improved matters. Eventually I informed the seller that I proposed to return the set as being not of merchantable quality or suitable for my purpose, relying mainly on the Sale of Goods Act 1893. The seller's solicitors wrote to the effect that according to this Act it

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You may need to consult a solicitor about this. Your remedy is to make a formal written demand for the machine, offering to pay on delivery thereof to your premises. You can then, if necessary, sue the company in

An unsatisfactory radio set

was; and that their clients were not obliged to reimburse me for the cost of the set. What do you think of my chances if I brought an action? We think that you have a case to make out against the suppliers of the radio/recorder. Your proper course is to point out to the suppliers' solicitors that the radio in question probably is of unmerchantable quality, but that the burden of your complaint is breach of (the new) subsection 14 (1) of the Sale of Goods Act—not

merely subsection 14 (2). If you find it necessary to take your claim to court you must have in mind that the damages in an action for breach of warranty are the difference in value between the goods as warranted and as they are. Thus to establish a claim for the price of the radio you need to show that the set has no value. You may therefore need to ascertain if the radio is capable of functioning elsewhere than in your house, and if so what its value is.

A book on divorce

Can you recommend a book on divorce which is up to date and dealing with the apportionment of the assets and provision for maintenance of a divorced wife and children? Bromley on Family Law (4th Edition) would most likely suit your requirement, but Miller on Family Property and Financial Provision is a more recent book which covers later statutory and case law.

Restrictive covenant

In your issue of December 7, 1974 under the heading "Restrictive covenants, you indicated that a freeholder could not impose a covenant prohibiting development, in a case where a leaseholder was buying the freehold under the Leasehold Reform Act. Does this apply where the existing ground lease includes the restriction that the premises

An unsatisfactory radio set

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No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

should be a single dwelling house? The landlord may require the imposition of a covenant restricting the land to one house only if that is a re-imposition of a covenant in the lease and if it benefits other property so as materially to enhance the value of that other property—Section 10(4) of the Leasehold Reform Act 1967. Thus the landlord cannot require such a covenant if he does not retain other property in the vicinity and has not imposed similar covenants on sales of other freeholds. In any event he cannot impose such a covenant if it is unreasonable, or does not materially enhance the value of the benefited property—that is he cannot do so merely to obtain a premium for releasing the covenant later.

Hedge as a boundary

The rear boundary of my property terminates in a hedge just beyond which is a steep slope from which clay has been excavated. The centre of the hedge is said by my neighbour to be the boundary, though a surveyor tells me that the whole hedge is mine. Assuming the centre of the hedge is the boundary, can the other party remove his part of the hedge, or lower the height of the hedge, or shift the soil on which the hedge stood?

In the circumstances which you describe it seems more likely that all or at least the rooted part of the hedge is within your boundary—but that is a question of fact to be determined on the ground. Wherever the boundary lies, the adjoining owner could remove the hedge up to the boundary so long as he does no permanent damage to the hedge by doing so. The boundary would, however, remain unaffected (at the centre line of the old hedge if that is the true boundary). He could not reduce the height of the hedge across the boundary, but could (with the same proviso) up to the boundary. He could remove soil on his side of the boundary but not so as to deprive the land on your side of the boundary of its natural support.

Insurance

Open ended policies

BY JOHN PHILIP

"WHAT" asked one enquirer this week, "are these 'open ended' life policies that I keep hearing about?" This is a question which I find I have not attempted to answer for 2½ years—during which time the life assurance and investment picture has changed tremendously. But to explain the present position, a little history is not out of the way: the open ended with profits contract made its appearance in the 1971-72 period before the first stage of Mr. Heath's counter-inflation programme had been thought of, when the traditional life companies were still trying to find ways to prevent further encroachment by the unit-linked operators. One of the competitive edges that most of the latter had was the offer of early cash (surrender in traditional terminology) virtually without penalty.

Surrender values

Without in any way altering their views on surrender values, a handful of life companies thought to sell either endowments maturing at age 65 or whole of life policies with premium payments stopping at age 65, in either case with profits, giving the policyholder the right to surrender at any time after 10 years for a "guaranteed" sum assured plus bonuses.

The 10-year period was chosen partly with an eye on the qualifying policy tax rules, partly with an eye on the earliest reasonably practicable date at which a traditional life office could forego any surrender penalty. I think it goes almost without saying that however a life policy is written it must have a theoretical terminal date—otherwise it is impossible for the insurer to estimate with any accuracy how much premium he wants for mortality, for investment, for expenses, and so on. But having fixed on this theoretical terminal date, it is always possible to allocate other terminal dates, closer in time, and to fix on the sums payable at those dates—and this in fact is what the open ended policy does.

The policyholder to choose his own maturity date at any time after 10 years.

Under the normal form of endowment or whole of life, when the policyholder surrenders he forfeits some part of the reversionary bonuses that have been attached—this on the basis that they can only attain their full value when the policy matures. However, with most open ended contracts, insurers pay in full any bonuses that have been attached, without exacting any discount for early encashment.

Sales appeal

In 1972 there were five companies offering open ended contracts. Now the number has grown to 13, so the prospective buyer has a fair choice—but of course only a fraction of the choice he has when buying a traditional fixed term endowment or whole of life policy. The open ended contract clearly has sales appeal for a buyer who wants to save for a minimum of 10 years but is uncertain quite when he will want his money thereafter—if at all. Currently I understand some life brokers are recommending this kind of policy to parents contemplating the provision of school fees ten years hence—very much on the basis that the policy will serve its purpose if, then it is still possible to pay for education, and if not can be left to run its full term if the parent wishes.

This kind of policy must also appeal to anyone making his or her own provision for retirement, who is uncertain when that event will occur, except that it is at least ten years ahead: when retirement does come, the policy money can be claimed and say, an annuity bought at the then current market rates. However, the open ended contract is not for the policyholder who knows precisely when he wants his money. Compare the terms of any one of the 13 companies for fixed term and open ended endowment and seven are currently adding: "Leaving the question of tax relief aside, the policyholder who buys a 10-year endowment will get more at maturity than will the policyholder with a 25-year open ended contract who cashes in other insurers offering open at the end of 15 years. But the ended with profit contracts.

latter will of course get more than the holder of a 25-year fixed term endowment who surrenders after 15 years.

These open ended contracts are normally available for the adult who is not yet 55, but exceptionally one company, Legal and General, will take entrants up to age 60 next birthday and three, Crusader, Hill Samuel and Friends Provident, will provide cover on children, subject to certain restrictions on the amount of payment during infancy.

Increasingly the practice of insurers is to include one or two special options—to replace cover and to increase cover. Four companies, Cornhill Life Association of Scotland, Sun Life and U.K. Provident, offer both. The replacement option allows the policyholder, who takes his money, say, after ten years, to obtain a further policy for the same amount of premium without having to provide further evidence of health: normally this option can be exercised at any time before the policyholder reaches the insurers' upper age limit for entry.

The increasing option can also be exercised without evidence of health—the "times and circumstances" to which the Life Association of Scotland's scheme is specially designed to allow the parent, on the birth of a child, to obtain a further policy without providing any evidence of health. But there are restrictions. He must exercise his option within two months of the child's birth, and through the option he can only double his original cover.

Minimum premium

Most insurers require payment of a minimum monthly premium in the £4 to £6 range but in these times most prospective policyholders must be ready to spend much more. As twelve out of the thirteen companies issued their reversionary bonuses on a compound basis and seven are currently adding terminal bonuses. Apart from the companies I have named so far, Commercial Union, F.S. Assurance, Marine Mutual and General Scottish Amicable holder with a 25-year open ended contract who cashes in other insurers offering open at the end of 15 years. But the ended with profit contracts.

TAXATION AND THE INVESTOR

The impact of a wealth tax

BY JOHN CHOWN, TAXATION CORRESPONDENT

THE SELECT Committee of the House of Commons on Wealth Tax is now taking evidence. Government spokesmen have, on several occasions, re-affirmed that there will be a wealth tax and that the Committee is simply discussing the form it should take. Legislation is expected next April with first assessments being made on December 31, 1976, or March 31, 1977.

Over the years I have written in general terms about the possible taxation of wealth, but I have not been following the Select Committee very closely. There have been too many other more urgent pre-occupations of which capital transfer tax was the most serious.

We have had the Oil Taxation Act (Royal Assent May 8, but still not published) and two

enterprise and capital were in support ably and destructively high. During a discussion over dinner a few nights ago an American on his first visit to England said dismissively: "But how many people are really in this ridiculous 83 per cent. tax bracket?" When I told him that this rate applied to salaries over about \$45,000 (probably far less than he was earning) he nearly fell off his seat, and I decided in the interest of his digestion not to tell him about the investment income surcharge.

An additive wealth tax piled on top of the other taxes without any mitigation would clearly and unarguably be disastrous. I will not refer to it as "the last straw," as this was piled on some months ago and the back is already broken.

It is probably already too late to check the quiet but inexorable drift of talent out of the country. The quality of the people—mainly younger people with their way to make rather than the established wealthy—who discuss with me not whether but where and how to go, might horrify Mr. Healey. It is probably too late to prevent an irreversible breakdown of taxpayer compliance. Taxes at present rates are no longer thought to have any real legitimacy even by those who have not fully understood the scandals of a minority Government which has, partly deliberately by the guillotine and partly by the inability of the State sector's own HMSO, stifled public discussion of important fiscal measures.

The worst need not happen. One advantage of the Select Committee procedure is that it gives an opportunity for a full and public airing of the issues (denied on CTT) and one of the most important issues is the relationship of any wealth tax with other taxes. Evidence before the Committee will bring out the full horrors of the present situation and I suspect that some of its more sensible Labour members are at last having their eyes opened to the real world.

The Committee seems likely to suggest a substitutive wealth tax—an annual tax on wealth itself, coupled with a corresponding reduction in the tax on income from wealth. Such an arrangement makes quite a lot

of sense from an economic and possibly a political point of view. Wealth tax like this would be payable, and would be intended to be paid, out of income.

From the point of view of an already overworked Inland Revenue, the change has little to commend it. They would have to introduce all the machinery for assessing and collecting a new tax which is notoriously inefficient in terms of the relationship between the cost of the collection and the revenue produced. There will be a substantial increase in their work with no increase in tax collected. At the end of the day, everyone may decide that the whole exercise is not worth while.

Several European countries impose an annual wealth tax. As Sandford, Willis and Ironside point out, it is probably significant that these taxes were introduced at about the time that we began taxing investment income more heavily than earned income.

It can be argued that it is not unreasonable to tax a man with an income of £5,000 derived from £100,000 of capital rather more heavily than someone with an earned income of £5,000, if for no other reason because the investment income will continue after retirement, while a man at work has a limited working life ahead of him. We chose to impose a rather higher level of tax on investment income. Other countries continued to tax the income at the same rate, but began to impose a small extra tax on the capital itself.

Such a substitutive wealth tax is intended to have been paid out of income. Nearly all the countries provide that the total of income and wealth taxes cannot exceed a given percentage of the total income of the taxpayer. In all cases this limit is far lower than the level of income tax alone imposed on investment income in the U.K. Notwithstanding the assertion that estate duty was a voluntary tax, the U.K. actually collected before the introduction of CTT, and without any wealth tax, proportionately more from capital taxes than any other country in the world. These figures based on actual collection, cannot be argued away by saying that everyone avoided the high nominal rates. First—the Inland Revenue's

own Green Paper on inheritance tax gives a table, showing death duties, including taxes on gifts, as a proportion of gross national product for fourteen countries in 1969. On their own figures, the U.K. comes top (9.2 per cent.), collecting 2½ times the average of all the other countries. (The next two were New Zealand and Australia).

In answer to a Parliamentary question last April, it was admitted that the combined yield of capital taxes per head of population in 1971 was U.K. £10, Sweden £8, Germany £6, France £2 and Italy £2. As Sweden, Germany and France all have higher real incomes per head than ourselves, the comparison is even less favourable for the U.K.

Sweden is notoriously a high tax country and is the runner up in the figures given. Sweden imposes a wealth tax with rates which rise to 24 per cent. on net wealth. However, there is a proviso that the total of national and local income taxes, together with wealth tax, shall not exceed 80 per cent. of the total taxable income up to Kr.200,000 (about £22,000) plus 85 per cent. on the income in excess of that figure which is a little short of the starting point for the 95 per cent. rate on investment income in the U.K.

For the highest slice of income therefore, the Swede after paying his wealth tax, is left with just 7½ times as much of his income, net of tax, as the Briton, still paying tax on income alone.

Most countries have such a ceiling provision. Germany does not, but as the rate of wealth tax is only 0.7 per cent. flat and the top rate of income tax is about 57 per cent., such a ceiling is hardly necessary. Ireland is in the course of introducing a capital acquisitions tax and an annual wealth tax. This has features which may be of interest to us and I will be explaining them in a future article.

Economic Diary

ECONOMIC affairs will be debated in the House of Commons on Thursday. Other events and statistics next week include: MONDAY—TUC steel committee meets British Steel Corporation over redundancy plans, Grosvenor Place, London. U.K. banks' assets, liabilities, and the money stock (mid-April). Basic rates of wages and normal weekly hours (mid-April), monthly index of average earnings (March). Retail trade (April-prov.). Turnover of the motor trades (first quarter). Turnover of the catering trades (March). TUESDAY—Mr. James Callaghan, Foreign Secretary, presides at the Ministerial meeting of the Western European Union, Lancaster House, London. Building society house prices and mortgage advances (first quarter). WEDNESDAY—British Leyland Bill second reading in the Commons. TUC general council meeting. CBI annual meeting. THURSDAY—Provisional unemployment figures (May). House of Lords rise for the spring holidays. New vehicle registrations (April). Car and commercial vehicle production (April-final). Consumers' expenditure (first quarter). FRIDAY—Commons rise for the

Economic Diary

spring holiday. Trade and industry publication contains sales and orders in the engineering industry. CHESH SOLUTIONS. Solution to Position No. 62. KQ; 2 R-R ch. K-N; 3 R-R ch. K-N; 4 P-R ch. K-N; 5 N-K ch. K-N; 6 R-R mate. Solution to Problem No. 62. 1 QxP ch. and mate next move. One of the rare problem settings where a checking key is artistically justified. For Financial Times, publisher only, send 10p to: Sedgwick Forbes, 100, Strand, London WC2R 0JH. Tel. 01-638 3300. Telex 940400.

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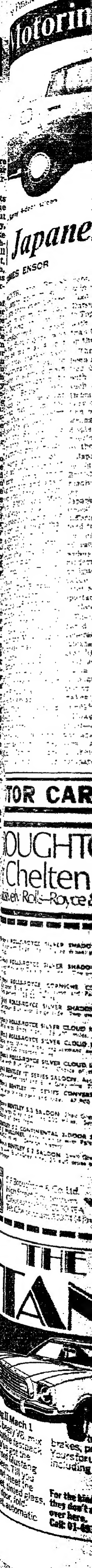
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Motoring



Datsun Sunny 4-door saloon

A Japanese invasion

BY JAMES ENSOR

LAST MONTH, the British bought a larger proportion of imported cars than ever before. Almost four in every ten cars registered during the month were manufactured abroad. Since the big fleet buyers, who account for as much as 40 per cent of the total market have stayed predominantly loyal to British makes, it seems certain that private buyers bought more foreign than British cars. Britain, to-day, is the only car manufacturing nation in the world where this is the case—with the possible exception of Sweden—but the Swedes only manufacture three basic models of car in a limited price range.

When looking at the sales figures in detail, it is clear that imports have scored their successes at the top and again at the bottom end of the market. Audi, Volvo, BMW and Mercedes have always sold well to the wealthy executive car buyer in Britain; and it is clear that Leyland desperately needs its new Rover SD1 if it is to stay off the foreign challenge to its leadership in this market.

But the real volume of imported sales is made up in the cheap cars. The Renault 5 and 12, the Volkswagen Golf, the Fiat 127 and 128 and above all the Datsuns are the cars which have made the running. In some cases, such as the Renault 5 and the Volkswagen Golf, this success may be explained in terms of lack of effective British competition. The British have been slow, for example, to adopt the rear-door hinged by Renault and now taken up by Volkswagen: the new Vauxhall Chevette with a similar specification may bite into import sales here.

But the biggest success in the import market has been scored by the Japanese. Japanese cars alone account for almost 10 per

cent of sales and Datsun has sold only about 1,000 cars fewer than Vauxhall this year. The Datsun Sunny has entered the "Top Ten" popularity chart, with sales only a little lower than the ageing Chrysler Hunter or the new Leyland 18/22.

The Japanese success has not been achieved through any startling design innovations. Indeed, with a few notable exceptions such as the Toyota Celica and Datsun 280Z, their cars look very ordinary. With the exception of the Honda Civic—not a strong seller in Britain—they display few advances in engineering which are not matched by the average British car.

Japanese cars, indeed, tend to be inferior to most of their British rivals in matters like roadholding, handling and braking. Their general use of Japanese-built cross-ply—sometimes radial—tyres with their differing rubber compounds tend to give them inferior handling on wet roads. This neglect of rack and pinion steering—widely used on the more modern British and Continental designs—contributes to a rather vague steering. And their interiors are almost uniformly spartan, with a widespread use of cheap plastic mouldings.

Their positive points, as compared to British cars, are their general use of modern, overhead camshaft engines and smooth gearboxes which contribute to good acceleration, ease of driving in traffic and adequate fuel economy. Perhaps only Ford, among the cheaper British makes, can match the Japanese in engines and gearboxes.

However, their biggest sales point—and this emerges time and again from consumer interviews and driver complaints—by the Japanese, Japanese cars is their very high reliability alone account for almost 10 per

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Golf

Developing the boys

BY BEN WRIGHT

THE ONLY possible complaint that could be made about the Academy at lunch-time. At this stage, the best scores the Brokenhurst boys had recorded were somewhat nerve-racked 78's by Weeks and Brian Mudge. Eventually, it was the diminutive Lindsay's solid afternoon round of 75—he was literally dwarfed by the massively powerful Weeks—that carried the day for the Scots.

It is with a mixture of sound reasoning and pure selfishness that I feel this excellent event should be extended to two days. Not even the best professional golfers in the world nowadays are asked to play 36 holes in a day, except in matchplay events, which in any case seldom last the full distance. If the weather had been rough, Ballybunion could well have broken the hearts of some of the smaller, frailer competitors. As it was, in the easiest possible conditions, only five of the 16 competitors broke 80 to the afternoon, seven in the morning.

Character test In a sense, it is a trifle hard to expect schoolboys to sleep soundly between rounds, but it surely is the idea of the event to sort out the men from the boys by presenting a true test of character.

What is far more important is the uncertain future of this, by my reckoning, high on the list of the 20 best golf courses in the world. The greed of local farmers and contractors, who have denuded the beach of most of its biggest stones, has left Ballybunion at the mercy of the Atlantic, whose voracious appetite has recently made a sorry mess of the 17th fairway. The Irish Tourist Board owes it to the whole world of golf to safeguard one of the true shrines and treasures of the game. It would be a terrible tragedy if the 417 yards 7th and the 443 yards 11th holes, which are present tastering on the very edge of the sand cliffs—two of the finest par 4 holes I have ever played—not to speak of the glorious par 5 16th, should be allowed to be eroded away any further.

The Aer Lingus tournament goes from strength to strength. One hundred and twelve rounds of 72 by Alan Wilson, 75 by David Murchie and 78 by

Eric Lindsay, had given Perth Academy a lead of 14 strokes completed in 1972, the inaugural year, 270 in 1973, 420 in 1974. This year a staggering 2,380 boys competed, representing 570 schools. The sky is literally in the limit as the event grows in stature, and the competitors in ability.

More than ever last week-end, there was evidence that improved methods of tuition and coaching are reaping the hoped-for awards. Only one Welsh boy present had so far failed to earn a single-figure handicap, yet neither of his scores was high enough to be discarded in this, a competition in which only the three best by each four-man team, counts in each round.

Aer Lingus is hopeful of extending the tournament to Europe and North America, and eventually establishing a world championship. This commendable ambition would demand considerable feats of organisation but it would be really worth while in putting the lie to the ridiculous theory that golf is a selfish game.

While my great affection and deep admiration for Ballybunion was further enhanced I was desperately disappointed in Killarney and to a certain extent in the new, much vaunted monster at Waterville.

This is particularly sad because the settings of both courses in terms of wonderful scenery are well-nigh incomparable, and the clubhouse at Waterville is superb. But at Killarney, I much preferred the original course which has been split, and 18 new holes added to make two disappointingly mediocre layouts liberally sprinkled with irritatingly invisible water hazards.

Not much fun Waterville could and should have accommodated 27 instead of 18 holes, nine of them inland, 18 of the links variety set among the massive dunes. The present 7.118 yards course too often demands too mindless clouts before the golfer is forced to think about his third shot to the green. This is a fair test for gorillas, but not much fun for holiday-making hackers in my league.

The Aer Lingus tournament goes from strength to strength. One hundred and twelve

Bridge

The heads may roll

BY E. P. C. COTTER

THE CLUB golfer, to use Henry Longhurst's term, is not the only one to put his tee shot out of bounds or to take three putts on the green. At the Bridge table, too, the average player is not the only sinner—the expert is not above taking wrong views, to employ the accepted euphemism, as these hands from a World Championship show.

Let us first study this:

| N | E | S | W |
|------------------|----------------|--------------|-------------|
| ♠ 85 | ♠ 7 | ♠ 10 9 5 4 3 | ♠ 2 |
| ♥ K 3 | ♥ A 7 6 5 | ♥ 9 7 5 | ♥ A 7 6 5 |
| ♦ A J 10 7 3 | ♦ J 9 6 | ♦ A 8 7 | ♦ A K Q J 4 |
| ♣ K 8 2 | ♣ A 7 6 5 | ♣ 10 8 3 2 | ♣ K Q 4 3 |
| E | S | W | N |
| ♠ K J 10 9 7 4 2 | ♠ 10 9 8 5 4 3 | ♠ 2 | ♠ 8 7 5 |
| ♥ A 8 4 | ♥ 10 9 8 5 4 3 | ♥ 2 | ♥ 8 7 5 |
| ♦ K 6 5 2 | ♦ 10 9 8 5 4 3 | ♦ 2 | ♦ 8 7 5 |
| ♣ 10 6 5 4 | ♣ 9 7 3 | ♣ 2 | ♣ 8 7 5 |
| S | N | E | W |
| ♠ Q 3 | ♠ 10 9 7 6 5 2 | ♠ 2 | ♠ 8 7 5 |
| ♥ 9 4 | ♥ 10 9 7 6 5 2 | ♥ 2 | ♥ 8 7 5 |
| ♦ A J | ♦ 10 9 7 6 5 2 | ♦ 2 | ♦ 8 7 5 |
| ♣ 10 6 5 4 | ♣ 9 7 3 | ♣ 2 | ♣ 8 7 5 |

With East-West vulnerable East dealt and bid three spades, the next two players passed, North reopening with four diamonds, and South bid four hearts, which became the final contract.

West led the Ace of spades, a second spade was taken by the King, and East continued with the ten of trumps, West overruffed with the Knave, dummy won with the King, and East started a peter with the six. The first round of trumps was won by the Ace, and East at once returned the five of clubs, ruffed the club return, and put the contract down with the Ace of hearts.

The declarer could have avoided defeat if he had read the position accurately. He must allow the King of clubs to hold the second trick. A club contract, however, is won in dummy, the King of trumps is played, East wins, but he has now no way of getting his partner in to give him a club ruff. We can, perhaps, forgive South for failing to duck the club lead, but we cannot really excuse East's pass of his partner's optional double. Had he bid three no trumps, he would have made the contract, as North could not have avoided playing a trump to the King, he

| N | E | S | W |
|----------------|------------|------------|-----------|
| ♠ K Q 10 5 4 3 | ♠ 2 | ♠ A 7 6 5 | ♠ A 7 6 5 |
| ♥ 9 7 5 | ♥ A 8 7 | ♥ 10 8 3 2 | ♥ K Q 4 3 |
| ♦ A J 10 | ♦ 10 8 3 2 | ♦ K Q 4 3 | ♦ 6 5 |
| ♣ 10 9 8 5 4 3 | ♣ 2 | ♣ 8 7 5 | ♣ 8 7 5 |
| ♠ 2 | ♠ 8 7 5 | ♠ 8 7 5 | ♠ 8 7 5 |
| ♥ 8 7 5 | ♥ 8 7 5 | ♥ 8 7 5 | ♥ 8 7 5 |
| ♦ 8 7 5 | ♦ 8 7 5 | ♦ 8 7 5 | ♦ 8 7 5 |
| ♣ 8 7 5 | ♣ 8 7 5 | ♣ 8 7 5 | ♣ 8 7 5 |

At a love score South dealt and bid three spades, West doubled, and East passed for penalties—a most dubious decision. What is wrong with three no trumps?

As it was, against the doubled East, South was forced to play the King of diamonds. If a second diamond had followed, South would have had no trouble in making his nine tricks. But West shrewdly switched to the King of clubs, dummy's Ace won, and East started a peter with the six. The first round of trumps was won by the Ace, and East at once returned the five of clubs, ruffed the club return, and put the contract down with the Ace of hearts.

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The 1974 final dividend warrants will be posted on 31st July to shareholders registered on 2nd June 1975.

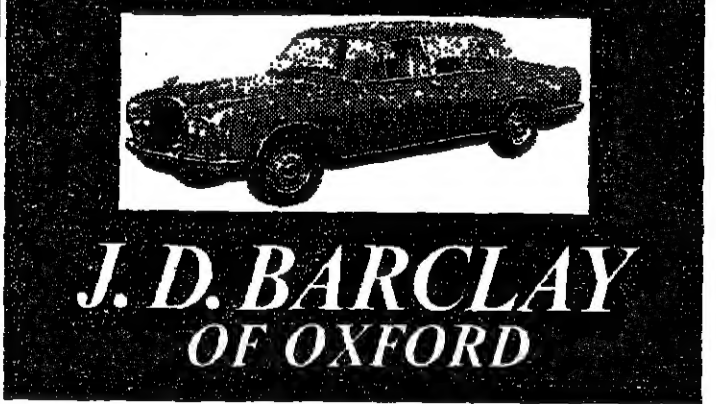
CONSOLIDATED PROFIT STATEMENT FOR 1974

| | 1974 | 1973 |
|---|--------------|--------------|
| Turnover | £ 54,490,181 | £ 49,766,119 |
| Profit for the year before charging depreciation | 3,243,664 | 3,201,199 |
| Depreciation | 1,145,878 | 1,122,569 |
| | 2,097,786 | 2,078,630 |
| Profits less losses of associated companies | 581,765 | 352,954 |
| Profit before taxation and extraordinary items | 2,679,551 | 2,431,584 |
| Taxation (note 1) | | |
| United Kingdom | 547,635 | 460,894 |
| Overseas | 1,131,036 | 1,139,758 |
| | 1,678,671 | 1,600,652 |
| Profit after taxation | 1,000,880 | 830,932 |
| Interest of minority shareholders | 372,817 | 193,789 |
| Group share of pre-acquisition loss | 60,703 | 42,740 |
| | 312,114 | 151,049 |
| Profit before extraordinary items | 688,766 | 679,883 |
| Extraordinary items | 2,682 | (237,900) |
| Profit after extraordinary items | 691,448 | 441,983 |
| Preference dividends | 127,981 | 73,583 |
| Profit applicable to ordinary shareholders | 563,467 | 368,400 |
| Ordinary Dividends | | |
| Interim | 101,294 | 94,071 |
| Proposed Final | 138,546 | 127,019 |
| | 239,840 | 221,090 |
| Profit for the year retained | £323,627 | £147,310 |
| Basic earnings per Ordinary Share excluding effect of extraordinary items | 17.53p | 18.95p |
| including effect of extraordinary items | 17.61p | 11.51p |

NOTE
1. The high incidence of taxation of approximately 63% is due to losses in Australia and The Netherlands for which there is no tax relief. Without these losses the rate of tax would have been 49%.

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| 1973 Silver Shadow 4-door saloon finished in Sage Green with Beige hide upholstery. Electrically operated Sunshine roof. One owner. Recorded mileage 8,000. | £10,750 |
| 1970 Long Wheelbase Saloon with Division finished in Garnet with Beige hide upholstery to front and Beige West of England cloth to rear. Stereo unit. Recorded mileage 19,000. | £8,975 |
| 1970 Silver Shadow 4-door Saloon finished in Garnet with Beige hide upholstery. Recorded mileage 17,000. | £7,500 |
| 1968 Silver Shadow 4-door Saloon finished in Black Pearl with Green hide upholstery. Stereo unit, fog lights. Recorded mileage 59,000. | £4,975 |

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Short-listed

Following my article on making and bottling your own wine, a few weeks ago, Suffolk Vineyard of Cratfield, Halesworth, Suffolk, have written to me suggesting that some readers might be interested in buying a vineyard. Why not grow your own wine and give your own grapes? Let me think this just over there are now some 500 vineyards for the commercial bottling of grapes for sale in Britain, and there are several very reputable firms making such wine and selling it on the open market.

If you planted 100 vines you could in about three years have a good crop and from the fourth year onward you should get a full crop. Suffolk Vineyard say that 100 vines would take up about 150 square yards of ground, with good soil and attention should produce adequate fruit for 100 bottles of wine a year. The total outlay would be in the region of £30 for the vines (these are not grafted vines, commercial growers usually buy grafted vines that are more resistant).

If the idea appeals to you at all, contact Mr. Fitzgerald of Suffolk Vineyards. Those who live in or around the Brighton area will be interested to know that the Reject Shop of Brighton Road has just opened a branch at 63, East Street, Brighton. The London branch has always specialised in seconds or ends of lines so that perfectly standard-looking goods could be bought for considerably less than the normal retail price. As the store is nearly always open to the public, the primary aim, their things usually represent a fantastic bargain.

The Brighton shop will sell the same sort of things as the London one—hitchhiker's gear, all sorts, luggage, lighting, furniture, gifts. The only real difference will be that the Brighton shop will also sell "seconds" in China, which the London shop has not been able to do.

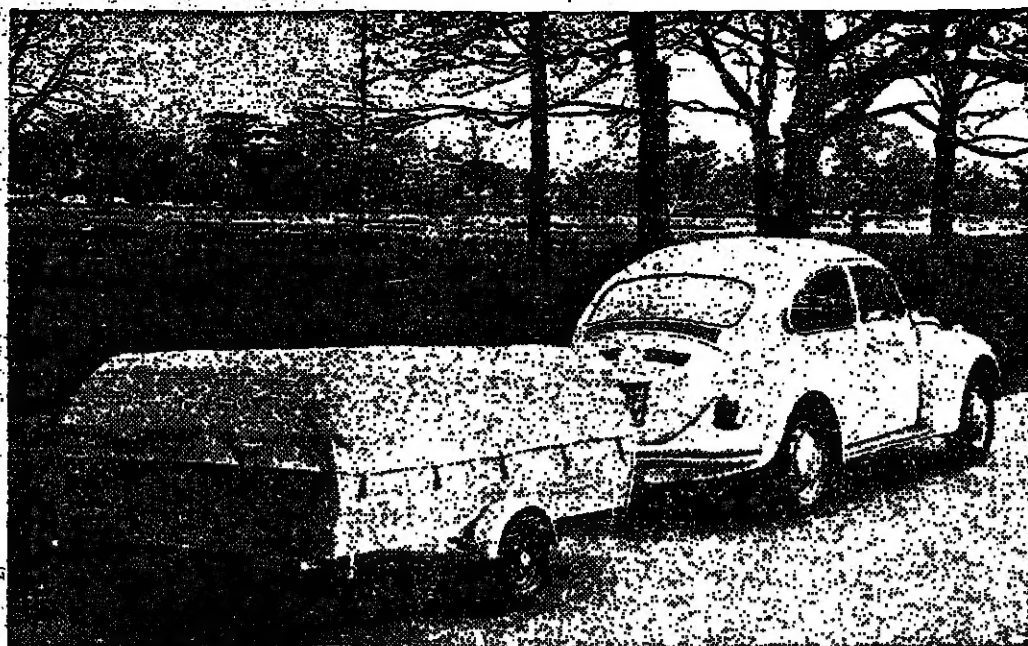
Tights are one of the recurring expenses that are most irritating to buy but somehow we can't do without them. For ordinary, everyday wear, Sainsbury's and Debenhams stores are currently running very attractive offers on tights.

All Debenhams branches are selling a pack of five pairs of one-size run-resistant tights for 79p (less than 16p a pair). There are three colours—black, medium and dark grey. Though I wouldn't wear them with summer dresses or evening clothes they are a very useful standby.

At Sainsbury's they are offering a pack of five pairs of one-size tights for 90p (18p a pair). They offer four colours—black, medium, copper and dark grey. A useful buy for everyday wear.

Readers living anywhere near that enchanting part of the country between the Severn and the Wye might like to know that for just two days, May 25 and May 26, a small but charming London shop will be moving its entire contents down to the little village of Brockley, near Newmarket. The shop is called Quakerware and it sells a colourful, individual collection of hand-made fabrics, clothes, cushions, prints and pottery from artists-craftsmen all over the world, but principally from Canada and Mexico.

They will be selling all their articles at normal London prices but all the profits are to go to help the Restoration Fund to save Hewelsfield Church, Hewelsfield Church is an early Norman church which is in great danger of being lost. A £500 can be raised to save it. A small entry fee will be charged which will go to the fund and there will be home-baked cakes, teas and local cider to refresh those who've travelled some distance. The shop will be open for the two days in Brockley's Wickham Hall and it should make a good Bank Holiday outing for anybody who has never been able to see Quakerware in London or who would like to see the beautiful church they are trying to save.



Sun-Seeker 404 neatly packed for trailing.

TM NOT a great camper or caravaner myself, preferring the softer delights of sturdy beds, solid roofs, certain plumbing and refuge from the wind and rain. However, for more intrepid holidaymakers who are prepared to face the discomforts in exchange for freedom of movement and a considerable reduction in expenditure, tents, trailers and caravans are a boon. The recent VAT changes have, though, had some curious effects on the market. As from May 1, all touring caravans had 25 per cent. VAT imposed on them while trailers, which were in any event usually more competitively priced, now will be even more competitive as they only attract the standard 8 per cent. VAT.

Of course, ardent lovers of caravans or those who own them already will not be deterred but others who are looking for ways and means of holidaying on the

move might like to look at the advantages of a trailer. They are much easier to tow than caravans, being much lighter, compact objects that enable the car to travel relatively fast. The trailer in the picture, for instance, measures 9 feet 3 inches long (including tow bar) by 5 feet 3 inches wide (including wheels).

The disadvantage, of course, with trailers is that when you actually arrive at your destination you've then got work to do and if you move on every day you have to take up and put down the trailer tent in the morning and the evening. However the manufacturers of this range of Sun-Seeker trailers maintain that a new owner would take about 20 minutes to put up the tent while practised customers claim they can do it in five minutes.

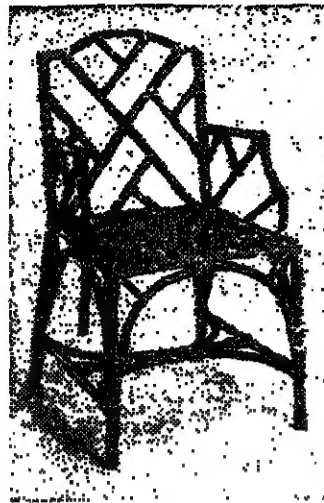
The Sun-Seeker range has three different models, the 203, which sleeps four but is a family

economy model, for £379.00 (including VAT) while the Sun-Seeker 404, photographed here, is a slightly more luxurious version with foam mattresses for the four beds which convert to day seats, and a zip-on annex bringing the total tent area to about 200 square feet. It sells for £449.00. The Sun-Seeker 503 is the deluxe version with a double inner bedroom with roof lining, caravan-type cupboards and it costs £549.00.

All the tenting on the trailer is made from Black and Edgington canvas and, as any camper will know, Black and Edgington are renowned for the quality of all their camping equipment.

For anybody interested in these trailers a brochure on them all with a full price list (including all the accessories) and list of stockists is available from Davance (Engineering), Osborne Industrial Estate, Osborne Street, Oldham, Lancs.

Into the Great Outdoors



'Chinese' cane chair

Otherwise, for those who want to see them straight away, stockists include Eastons of Wimbledon, Blacks Outdoor Centres in Birmingham, Cardiff, Dundee and Casey's Camping of Bristol.

HABITAT and all its branches are now selling this rather charming table, bench and matching chairs which are just like the ones that are found all over Paris in the open-air parks. They're made of steel with slatted wooden seats and have a slightly formal, old-fashioned air which I find pleasing. A cotton umbrella slotted into the centre of the table gives it the finishing touch.

The prices are surprisingly reasonable in that the chair is £5.95, the table is £15.00 while the bench is £21. All the furniture folds up so that it can be easily stored in winter and it can be left outside during light showers but it shouldn't be left out in heavy rain or during an entire winter.

For those who like to know precise measurements—the chair is 47 cm high, the table is 71 cm high with a diameter of 90 cm while the bench is 150 cm long. The umbrella may be red, yellow or blue and has a white fringe. It is £12.25.

STILL on the theme of garden furniture, I believe that where storage space is in short supply it is better to use the sort of furniture that can transfer happily back to the house when the sun's no longer shining and can be used indoors as well. Good furniture, which used to be very reasonably priced, has unfortunately become



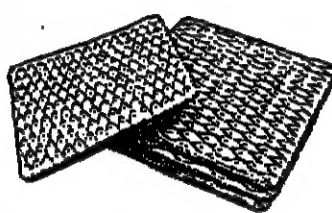
Sun-Seeker on its way up.



Touch of Paris in the garden.



Sentimental charms



Eastern cushions

A SMALL but very useful addition to any household that likes outdoor life are these woven maize garden cushions from the Far East. They're 38 cm square and are just the thing for sitting on round swimming-pools, on picnics, on beaches or on "hard" garden seats. They're 95p each (p+p 40p) or four cushions for £4.48 (inclusive of p+p).

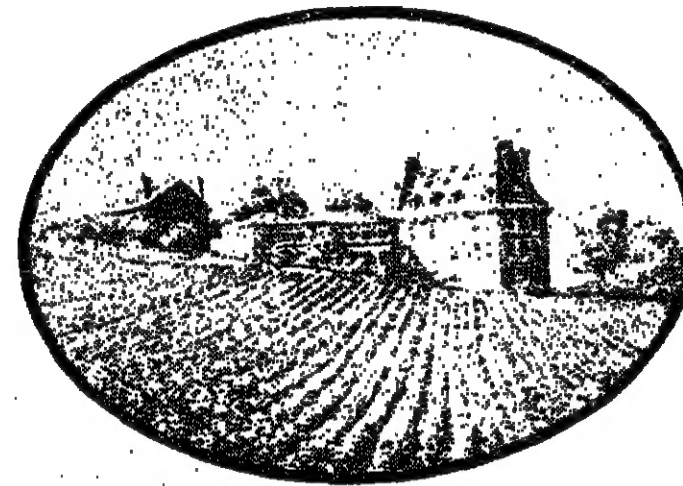
They're available from Room Outside Limited, Goodwood Gardens, Waterbeach, near Chichester, Sussex.

IF YOU hanker for the sort of lush, Rococo garden that the Italians are so good at, Leake's Masonry of Louth, Lincolnshire, have a good range of plump stone cherubs which could provide just the right finishing touches. They are all made by Italian craftsmen from reconstructed marble.

They are not everybody's taste and would look rather odd in the kind of spare, very design-conscious garden that was so fashionable some years ago. But now that a lush, richer approach to design, whether in clothes, houses or gardens, has begun to emerge what could be nicer than a chubby cherub to enliven the view from the sink? Leake's have a whole selection of cherubs as well as an elegant Leda with her swan and a somewhat-out-of-place looking man at work. The cherub photographed here is £62 and she has a matching boy pair at the same price.

They will have a catalogue available shortly which they will send free to anybody who sends a.s.e. in the meantime the statuary can be bought direct from Leake's Masonry.

Bubbly break



ALMOST EVERYBODY I know seems in greater need of some form of treat and cheering-up than ever before. The unkind might call it a form of Walter Mitty escapism, while the more charitably inclined might look on it as a natural reaction to the somewhat nerve-racking year most of us seem to have had.

If you are feeling in that slightly jaded state, wondering if you can last your summer holiday comes around, I can hardly suggest anything more likely to revive and cheer than a visit to the Champagne area of France. I can't claim that it's cheap or that it's essential, I can only assure you that you will come back with that indefinable sense of well-being that France so often manages to induce.

Though the Champagne area, lying somewhat North and East of Paris, doesn't have the powerful romantic appeal of the South it does have a quieter, more austere appeal of its own while the food and wines provide almost all that the most dedicated sensualist could require in the way of more earthy pleasures.

For the British it has the additional virtue of being very accessible for a long week-end so that a reviving trip could be taken there without breaking into the holiday allowance.

There are several ways of going there—the quickest, and I think the most charming way, is to fly by Air Champagne. These flights go direct from Gatwick to Rheims, in the heart of Champagne, leaving Gatwick at 1.30 every weekday, returning from Rheims at 11.15 every weekday morning. The planes are small (15-seater Beechcrafts) and take an hour and a half to Rheims where you are ready to start on the Champagne tour. The flight is £49.90 return but a husband and wife going along would then be eligible for a 50 per cent. discount on a spouse's fare, provided they don't stay longer than five days. Otherwise you could take the car ferry and drive (two couples

I met out in Rheims had done this but they'd got so held up by a large celebration lunch in Boulogne that they seemed to be trying to catch up ever after) or fly to Paris and take the train to Rheims or Epervay.

Once you arrive in Champagne, there is more than enough to do and all the tourist information is very well set out, making it as easy as possible to find out what to do and when.

A visit to a Champagne cellar is a most and most of the big Champagne houses are very well organised for receiving visitors, explaining in the most detailed and loving way what it is that makes Champagne unique and giving you a taste of their own particular brew at the end. Go in the week if you can, when work is going on, otherwise they open on Saturdays but not Sundays.

There are marvellous places to eat—La Chaumière in Rheims (two stars in Michelin) seems by general accord to be one of the most outstanding while Le Royal Champagne, on the brow of a hill overlooking the Marne valley, is also well worth visiting.

The two couples who had been so delayed while sampling the gastronomic delights of Boulogne also told me that they, on special occasions, would spend a day or two at the Hostellerie du

Chateau just outside Fère-en-Tardenois where the price is high but includes ample and exquisite food, as well as champagne. Find it in the marvellous guide, *Reis de Champagne Châteaux Hôtels Relais Gourmands*, available free from the French Tourist Board, 178, Piccadilly.

To make sure that any Financial Times reader who wants to go to the Champagne area knows just where to go and what to do the Comité Inter-professionnel du Vin de Champagne in Epervay will arrange for a complete information kit (including maps, Champagne houses they can visit, visiting hours and so on) to be waiting for them in their hotel. Readers should either write to the CIVC, c/o 10 Doughty Street, London W.C.1 letting them know when they're leaving where they are staying, how long they will be in either Epervay or Rheims and whether they are travelling by car, Air Champagne or scheduled flight and all this will happen automatically. If they forget they should telephone the CIVC in Epervay when they arrive (26) 51-40-67.

There's really only one drawback that I can think of—and that's that after a week-end of sampling the delights of several cellars I've now got severe withdrawal symptoms that I see no chance of allaying.



Join the County Set

IF YOU don't feel like broaching the rigours of "abroad" and want to see a little more of England there is a very beautiful, private house down at Westbury in Wiltshire where the owners are offering a small number of guests, one of the most luxurious and comfortable stays away from home I have come upon.

Chalcot House is a beautiful Queen Anne house (though parts of it are older) set in the countryside outside Bristol and run by an ex-stockbroker and his wife. The house has been beautifully modernised by The Crosby and every luxury and comfort is offered.

The price for a stay is high (£25 per night per person) but it does include absolutely every-

thing—food of a high quality, wines, drinks, use of the library, croquet lawn, tennis, horses, all excursions, entrance fees and outings.

This is not the sort of week-end that would appeal to or be available to everybody but to those who need a real rest, who want to see something of the English countryside and who feel in need of the comforts supplied by a truly English country house, then I think Chalcot House has something unique and special to offer.

Mrs. Ethne Rudd has produced a charming brochure illustrating the house, describing the atmosphere she tries to achieve and the comforts offered so anybody interested could write to her at Chalcot House, Westbury, Wiltshire (tel. Chapmanslade 466).

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| 5 TO DOHA | ARR | 05.15 WED | 19.40 | 19.40 | 19.40 | 19.40 | 19.40 |
| 5 TO ABU DHABI | ARR | 01.00 WED | 22.15 | | 22.15 | | 22.15 |
| 5 TO DUBAI | ARR | 21.05 | 22.15 | | 22.20 | 08.00 SUN | 08.00 MON |
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THE GOLDEN FALCON SERVICE



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He defeated the chess writers M. Ripley and L. Pickett, and took B. O'Sullivan (who himself recently finished second at St. Petersburg) on front of the Russian grandmaster grandmaster Estrin) to a 3-move rook endgame.

Nigel's tournament rating of 1600 was approximately equal to that of the Soviet first category player at age nine. With Nigel Short and with 11-year-old

White mates in two moves, against any defence (by F. G. Gold, Schach-Echo, 1983).

Solutions Page 4

Sixth largest

I talked recently to Eric Fountain, the managing director of the Housing Division of Tarmac. Despite the name's association with roads and footpaths, Tarmac is the sixth largest housebuilder in the country. What is more to the point is that despite a drop of about 30 per cent in sales in the private housebuilding industry generally last year, Tarmac suffered only a 10 per cent drop. So perhaps they have something to teach others about

Gotheby

HOME NEWS

Horizon Holidays debts exceed £4.5m. estimate

By ARTHUR SANDLES

APPROACHING 2,000 creditors of the former Horizon Holidays company, once controlled by Mr. Arthur Sandles, have been told that the company's debts are considerably in excess of the £4.5m. estimate of the liquidator.

Even the debenture holder, the National Westminster Bank, has yet to be repaid in full but there are hopes that there will be a small amount left for unsecured creditors.

When Horizon collapsed in early 1974, its goodwill was acquired prior to the appointment of a Receiver, by Court Line, whose subsequent demise has complicated the issue. For the purposes of liquidation the Receiver of Horizon changed its name to RT Realisations.

Now the joint liquidators have had to tell creditors that they had not disposed of Horizon's old

leases and had to give them up. At the time of the first creditors' meeting the validity of this debenture was challenged, notably by representatives of British Caledonian Airways. The joint liquidators have now accepted it as valid.

A further meeting of the creditors will be held next month.

Those creditors have been told that there is hope of raising enough money to discharge preferential creditors and to pay off the debenture in full, leaving some surplus for others.

"Meanwhile," say the liquidators, "we have to report that the value of the company's assets will be considerably in excess of the figure stated in the approximate statement of affairs. There are many claims still to be agreed."

More home news Page 12

Reksten may sell Norway interests after tanker slump

By MARGARET REID

SHIPPING millionaire Mr. Hilmar Reksten may well soon dispose of certain major shareholdings in Norwegian companies—some perhaps to the Government—to generate cash in face of liquidity problems caused by the tanker industry slump.

The sales, including that of a stake in the big Norsk Hydro, are anticipated as a first step in producing funds towards repaying part of big loans from Hambros Bank, the London group with strong Scandinavian associations.

Altogether, Hambros' present outstanding shoring loans to all customers, among whom the Reksten interests and those of another Norwegian shipping magnate, Mr. Haagen-Waage, are prominent, amount to under £100m. Within the total Hambros has as much as \$150m. (£85m.) advanced against tankers which are laid up.

Hambros has lately been

representing to the Norwegian Government the exceptional nature of the current world tanker crisis, in which 7,300 deadweight tons of Norwegian tankers are already laid up, with more likely to follow. A good number of the Reksten tankers are already idle, while the Waage interests are attempting to renegotiate a major new construction order at a West German yard.

It appears that some of the Reksten Norwegian shareholdings outside shipping may be sold to the Norwegian Government, including a sizeable stake in Spitzbergen Coal, in which the Government already has a large interest.

Holdings in some seven companies are thought to be under consideration for disposal, some of which might go to the Norwegian Government, with others being sold through the

stock market or by private placing.

The second main step on which hopes are placed in London for easing of the loan and liquidity problems is renegotiation of arrangements between the Reksten interests and the charterers of ships to them, with a view to adjustment of deferred payments. Talks are known to be on with Ocean Transport and Trading about the "Titan," and with Canadian Pacific about the "I.D. Sinclair," both on charter to Reksten companies.

A Reksten company spokesman said in Norway yesterday that the company was in no special difficulty compared with other Norwegian tanker firms. He stressed that the tanker market was generally difficult and that several companies were "working for rearrangements of their economic liabilities."

Average 29% pay rise for Forces

By Michael Dunne, Defence Correspondent

THE PAY of the armed forces is to be raised on average by 29.5 per cent. with effect from April 1 last, at an annual cost of nearly £135m.

This is revealed in the White Paper from the Review Body on Armed Forces Pay, published yesterday, which has been accepted by the Government.

The Review Body says that it took the social contract into account in its deliberations. It says its decisions are designed to ensure that the forces are not treated less favourably than the rest of the community.

Equally, however, it says that charges levied on service personnel "should reflect in a realistic way the costs which every breadwinner has to meet out of his earnings at his job."

As a result, many of the charges on servicemen for food and accommodation are to rise substantially.

The 29.5 per cent. average rise will mean that an Army private will now get £32.76 a week, compared with £28.62 before April 1, the old rate being £24.22 a week plus threshold payments.

A lieutenant will now earn £3,225 a year on appointment, compared with £2,751-£2,822 plus threshold. A full colonel will earn £8,169, against £6,245 plus threshold, a total of £8,474.

For adult servicemen of corporal and below, the rises range from £446 to £745, or 25.9 per cent. to 33.9 per cent.

The nation's 340,000 servicemen received their last pay rise in a year ago—a rise within the then Phase Three guidelines ranging between 51 per cent. and 15 per cent.



MR. JOHN GRANT, Parliamentary Secretary at the Ministry of Overseas Development, last night accused anti-Market forces of "a rabble of accusations, half-truths and innuendos."

Although not mentioning Mr. Anthony Wedgwood Benn by name he accused some anti-Market forces of "resorting to highly questionable and exaggerated arguments deliberately designed to play on the natural fears and prejudices which exist at this time."

Blaming the Common Market for potential steel redundancies—an accusation levelled by Mr. Benn earlier this week—was an example of making charges on the basis that some of the mud would stick despite denials, said Mr. Grant.

In his view the contention that cheap food would follow British withdrawal was another piece of nonsense. "Every housewife must know from bitter experience that any politician, who promises that is either a fool or a knave. This kind of dubious tactic turns market sceptics into supporters and market moderates into militants."

Mr. Grant went on to criticise

Anti-Market men accused of innuendo

By RICHARD EVANS, LOBBY CORRESPONDENT

leading Conservatives for dragging into the Common Market argument "the extraordinary red bogey." He pointed out that half the Parliamentary Labour Party had voted for withdrawal and it was manifest nonsense and an insult to speak of them in this way.

Mr. Benn was continuing his campaign to get Britain out of the EEC by asking Mr. Heath to justify the claims he made in 1971 when he took Britain into the Common Market.

He claimed in a speech at Coventry that Mr. Heath had been wrong on four specific claims he had made and he demanded an explanation from the former Conservative leader.

The four points were that the Common Market would prove to be Britain's most promising export market, that it would provide an immediate stimulus to investment, that it would provide jobs and that prospects would improve in all Britain's development areas.

"If you bought a new house and moved in expecting to be secure and warm and within three years the outer walls and roof had collapsed, you would press the architect and master

builder of that house for an explanation," said Mr. Benn.

Mr. Heath was the architect and master builder who had taken us into the Common Market promising, trade, investment and jobs but now after three years of membership the country faced an industrial crisis.

Mr. Edward DuCane chairman of the Conservative 1922 Committee last night urged Conservative MPs not to concentrate on attacking Mr. Benn to the exclusion of the rest of the Labour Government. He saw a distinct danger in making the Industry Secretary the Tories' principal bogeyman.

The Scottish Conservative Party yesterday ended its agonising search for a successful new cause, at its annual conference in Dundee, and threw itself with exhilaration into the campaign for a great Scottish "Yes" vote in the EEC referendum.

Mr. Reginald Maudling, the "shadow" spokesman on foreign affairs, told the conference that the only workable alternative to EEC membership was "the alternative of a socialist siege economy and turning this country into a socialist unit."

95% back EEC in companies poll

By Ian Davidson

VIRTUALLY the whole of British industry is in favour of continued membership of the European Community, according to an Opinion Research Centre poll published yesterday in the Economist.

Of 653 companies surveyed, over half of which were small concerns, 95 per cent. were in favour of membership, while only 2 per cent. were in favour of getting out, leaving 3 per cent. undecided.

A majority of the companies questioned thought that membership so far had had little effect on profits and sales, but over a third thought they had benefited in both respects from being in the Community. Only 3 per cent. thought the Community had harmed either their sales or their profits. Big companies thought they had benefited more in both respects than small ones.

A significant minority—29 per cent. in the case of big companies—had reduced, delayed or cancelled investment in Britain as a result of uncertainty over the referendum.

In the long run, if Britain leaves the Community, 54 per cent. of big companies and 40 per cent. of small expect to reduce investment in this country, and broadly similar proportions expect to reduce their employment in the U.K.

'Green Pound' safe

By IAN DAVIDSON

THE AGRICULTURE Ministry yesterday firmly rejected the suggestion by Mr. Norman Buchanan, the anti-Market Labour MP for Renfrew West, that Britain could be obliged to accept a change in the value of the so-called Green Pound, which protects British consumers from the food cost impact of the falling exchange rate.

"If the Green Pound were to be devalued," said the Ministry, "this would be as a result of the Government's decision of where the overall national interest lay."

At a "Britain-Europe" Press conference Mrs. Shirley Williams, Prices Secretary, conceded that, in time, the Green Pound might be brought more closely into line with the exchange rate. Did this not mean, she was asked, that we were living in a fool's paradise?

"If we are living in a fool's paradise," she answered, "it is not because we are in the Common Market, but because we are living in a fool's paradise."

She claimed the anti-Market forces were moved by profound nostalgia for the days when Britain could get cheap food from a grateful Commonwealth.

CAP 'benefits Britain'

By JOHN CHERRINGTON, AGRICULTURAL CORRESPONDENT

BRITISH CONSUMERS have benefited from the operation of the Common Agricultural Policy over the first two years of EEC membership. Food prices overall have been 1 per cent. lower than they would have been had Britain not joined and had to rely on world prices, says the Federal Trust for Education and Research in a study published yesterday.

The trust acknowledges the benefits of stable prices and more secure supplies that full membership of the Community will bring but points out that there is no room for complacency, in particular price rises of dairy products over the next three years, when butter prices will probably double could well outweigh other advantages.

The study emphasises that the rapid inflation of world costs has eroded the differential between present EEC costs and those of major world exporters and that in the future the community price structure will not look out of line with world market prices.

FT prize for U.K. heritage film

By JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

A FILM to promote tourism in Britain and at the same time extend public knowledge of our industrial heritage has won the Financial Times Export Award at the British-sponsored film festival, which closed in Brighton last night.

Other special prizes in the festival included the Newcomers Award, presented by The Times newspaper, which went to Knockdown and Kill, sponsored by J. L. MacEwen as an educational film about pesticide biology. The Clifford Wheeler Memorial Award for achievement in distribution went to History of the Motor Car Part II—The Veterans, sponsored by British Petroleum.

Of the 11 overseas films allowed to enter for the first time, one from South Africa, Project Waterfall, sponsored by Sottra (Co-operative), received a Prix d'Honneur for its merit relative to the overall standard.

In the main competition of the festival there have been no fewer than 18 categories—yielding an extensive list of gold, silver and bronze awards plus certificates of merit. Videotapes were also included for the first time in their own special section.

Gold awards in the various categories went to: Super Natural Gas (British Gas Corporation), Introduction to Ecosystems (Open University), Gibson's Game (Lloyds Bank), the Goya Effect (Rank Aids Industrial Services), the Challenge of Objections (also Rank), In Safe Hands (Millbank Films), the Fire Raisers (Ministry of Defence, Navy), They Can Be Helped (National Children's Home), Look Again at Gulls (Royal Society for the Protection of Birds), Preventive Dentistry (Ministry of Defence, Navy), Event Horse (Midland Bank).

Facets of Glass (Pilkington Bros.), Location North Sea (British Petroleum), The Answer is Essort (Ford Motor Company), the Strongest Link (Building Societies Association), Inflation Accounting (Institute of Chartered Accountants), Selling on the Telephone (Rank Aids Industrial Services), Burke on Paint (ICI), Psychological and Clinical Aspects of Cardiac Abnormality (MEDICINE and ICI).

Prices body throws out increases

Financial Times Reporter

THE PRICE Commission rejected 15 applications for increases during April from manufacturing and service companies in categories I and II. In another 33 cases the companies concerned withdrew their notifications of intended rises and the Commission reduced the level of increase sought in a further 153 cases.

Following discussions with the Price Commission, eight distributors, one manufacturer and two service enterprises in Category II agreed to make price reductions amounting to £1.7m. in order to eliminate excess gross or net profits as revealed in their periodic returns.

According to the preliminary estimate of gross domestic product for the first quarter of this year, GDP actually rose slightly from the fourth quarter 1974 level, despite the deepening domestic recession.

Whitehall officials dismiss this as a statistical quirk, caused by the effect of the extended Christmas holiday, which meant the underlying level of production in December was understated. As it stands, the official output index of GDP rose from 108.8 in fourth quarter 1974 to 109.0 in January-March this year (seasonally adjusted, 1970=100).

INTERIM STATEMENT

THE RAKUSEN GROUP LIMITED

INTERIM STATEMENT

HALF YEAR RESULT TO 31st DECEMBER 1974 (Unaudited)

| | 1974 | 1973 |
|------------------------|---------|--------|
| PROFIT | 125,215 | 89,981 |
| INTEREST | 67,980 | 41,427 |
| PROFIT before taxation | 57,235 | 48,554 |

*Provision for tax charge has not yet been computed due to previous years losses.

I am pleased to announce that the Group has made a profit of £57,235 (unaudited), before taxation as against a profit of £48,554 (unaudited) in the comparable period last year.

This profit has been achieved in spite of the not inconsiderable disturbances in production due to the move to our new premises where, I am pleased to report is now in full production and the advantages of this move should produce benefits in the coming years.

The acquisition of the shareholding in Portelli International Limited is proving to be satisfactory and I am confident that this acquisition will contribute both to the turnover and profitability of the Group.

The Property Division, in spite of difficulties in this sector, is now showing an upwards trend and sales are continuing satisfactorily.

I am confident that the results in the current year will show a marked improvement over earlier years, which will enable the board to again recommend a dividend.

ROLAND MINTON, Chairman.

Sotheby's
hold frequent sales of
OLD MASTER PAINTINGS
as well as their three
major sales each season

for information and advice
telephone or write to
John Somerville

Sotheby's

Sotheby & Co., 34-35 New Bond Street, London W1A 2AA.
Telephone: 01-493 8080 - Telegrams: Abinitio, London
Telex: London 24454

Our business is our name

We're British Sugar Corporation Limited. And that just about describes what we are and what we do.

British

We're British because we have 17 factories up and down the country. We buy sugar beet, grown in this country by British farmers.

We sell our products in Britain.

Sugar

We produce sugar from the beet. We supply a third of the UK market. We could produce half. (There'll be more on this in subsequent advertisements.)

Our sugar, in common with other EEC producers, costs less than imported sugar.

Producing more will help stabilise prices for consumers and Britain's food industry.

Corporation

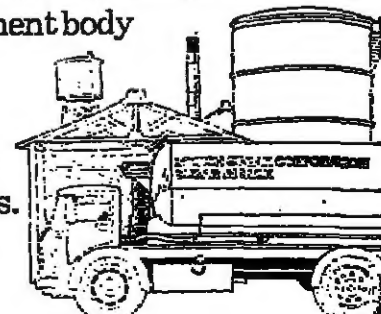
The most confusing part of our name. It makes us sound like a government body which we are not.

Limited

We are a public company with quoted shares. We are efficient and that makes us profitable.

BRITISH SUGAR CORPORATION LIMITED

We produce the sugar for Britain



مكتبة الجليل

Have you noticed the inflationary claims in car advertisements?

In the last year or so, virtually every car has gone up in price. Higher raw material and higher labour costs have made that almost inevitable.

The fact is, however, that not all cars have increased in price by the same amount. Some have actually increased in price at almost twice the rate of inflation. A few have managed to control their price increases to below the rate of inflation: the Audi 100 LS is one of these few.

In real terms, the Audi 100 now costs less than in 1974.

In January 1974, the Audi 100 LS cost £2227. Today it costs £2675. That's an increase of 20%.

At the same time, inflation has reduced the purchasing power of money by 24.5%. So in real terms the Audi 100 LS now actually costs less than it did fifteen months ago.

As you can see from the chart, that's a statement which none of the other leading cars in our class are able to make.

| Price changes from January 1974 to April 1975 | |
|---|--------|
| Inflation | up 24% |
| Audi 100 LS | up 20% |
| Peugeot 504 | up 28% |
| Volvo 144/244 | up 36% |
| Triumph 2.5 PI | up 40% |
| Rover 2200SC | up 45% |
| Ford Granada XL | up 45% |

Of course, even at £2675 we're not pretending that the Audi 100 LS is a cheap car: our standards of engineering and quality control make that impossible. And in the past these same standards have meant that our car has generally been more expensive than others in its class.

Today, however, the more rapid price increases of our competitors mean that you no longer have to pay a premium for the Audi's engineering virtues. Luxury executive saloons that used to cost as much as £200 less than the Audi now cost between £200 and £300 more.

Now an even better car than in 1974.

In 1974, even when the Audi 100 LS cost more than its competitors, we believed that it still represented good value for money.

According to Autocar, its efficient engine used no more petrol overall than an ordinary family car like the Ford Cortina. Yet its performance over the standing start quarter mile was only 1.2 secs. behind the Jaguar XJ6 (Comparison made by Autocar using automatic versions of both cars).

It had a 10,000 mile service interval. And offered you almost as much space inside as a Rolls Royce Silver Shadow.

Today, the 1975 Audi 100 LS still offers you all this. But today we now incorporate a major technical innovation that no other car in our class yet offers you: the Audi NSU steering and braking system that can keep you on course if your front wheel skids or punctures.

(Of course, some of the other cars in our class have also changed since January 1974, and when you've examined these changes you can decide for yourself whether they justify the extra cost of those cars.)

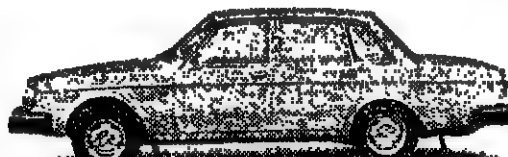
How our competitors have overtaken us.



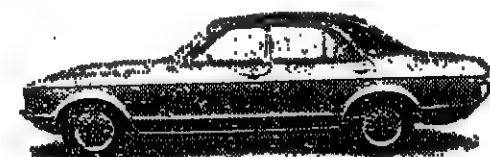
Rover 2200SC: now £258 more.



Triumph 2500 TC: now £232 more.



Volvo 244DL: now £310 more.



Granada XL: now £333 more.

Will the Audi 100 ever be a better buy than now?

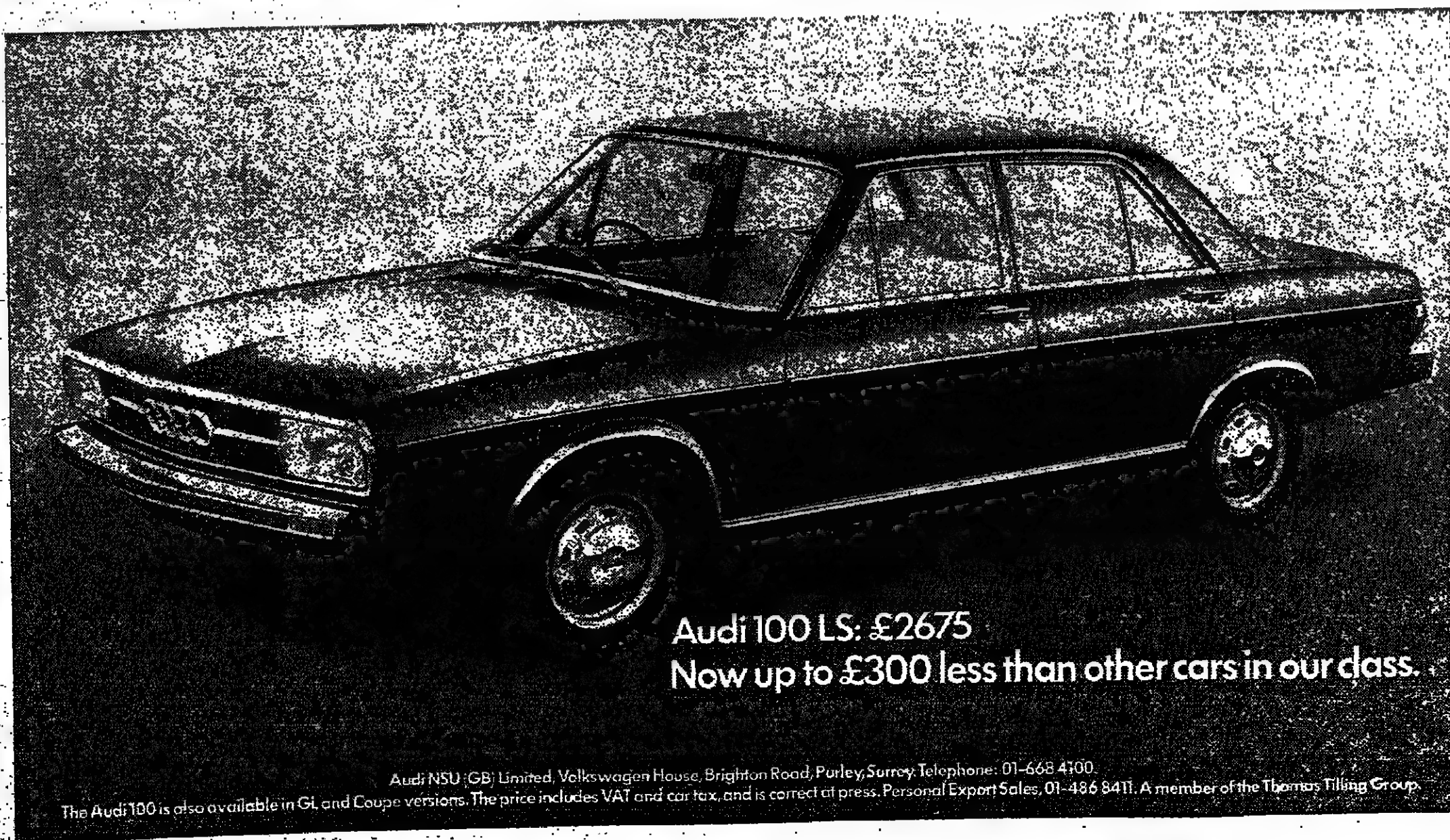
Hopefully, we'll still manage to hold our price behind both our competitors and the rate of inflation. Nevertheless, manufacturing costs are rising all the time, and our prices, regrettably, are likely to rise accordingly.

So the longer you wait before you buy an Audi 100, the more it's likely to cost you.

Visit your Audi NSU dealer now. You'll find he's one of the very few people who can help you beat inflation.



AUDI NSU



Audi 100 LS: £2675

Now up to £300 less than other cars in our class.

Audi NSU (GB) Limited, Volkswagen House, Brighton Road, Purley, Surrey. Telephone: 01-668 4100.

The Audi 100 is also available in GL and Coupe versions. The price includes VAT and car tax, and is correct at press. Personal Export Sales, 01-486 8411. A member of the Thomas Tilling Group.

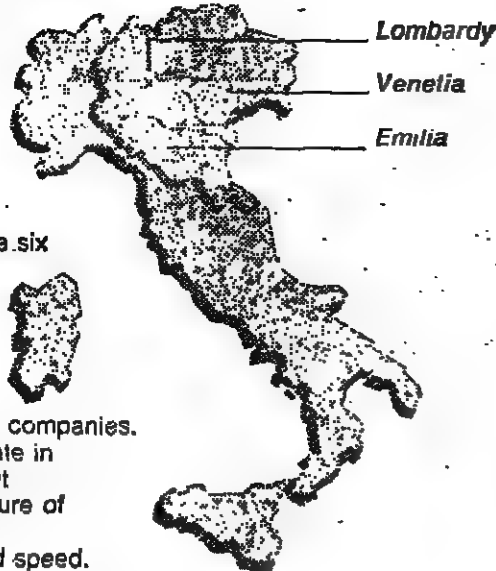
get there sooner (...and better) with us

Lombardy, Venetia and Emilia.
Three regions in north-eastern Italy: three important regions. Three regions that really count. That count for 30% of Italy's population, 47% of its output and 58% of its import-export trade. And it is here that we are at work. We are the six banks of the Gruppo Nordest.

Six popular banks, six co-operative banks, six banks that are their clients' best friends.

And our clients range from small tradesmen to big multinational companies.

In these three regions we operate in more than 300 branches. No-one but us can penetrate into the very structure of economic life: no-one but us can reach our clients with such ease and speed.



Banca Agricola Mantovana Banca Mutua Popolare di Verona Banca Popolare di Bergamo
Banca Popolare di Modena Banca Popolare di Sondrio Banca Popolare di Vicenza

The Edinburgh Investment Trust Limited

Results for the year ended 31 March 1975

1974

| | 1975 | 1974 |
|--|-------------|-------------|
| Gross Revenue | £3,002,725 | £2,986,730 |
| Earnings per deferred stock unit (£1) | £5.12p | £5.30p |
| Dividend per deferred stock unit (£1) | £4.85p | £4.75p |
| Net assets being total assets less current liabilities | £59,107,958 | £58,200,604 |
| Asset value per deferred stock unit (£1) | | |
| after deduction of prior charges at market value | 192p | 188½p |

EXTRACTS FROM STATEMENT BY THE CHAIRMAN, Mr I.R. GUILD

- There has been a modest increase in gross revenue stemming mainly from money on deposit and overseas holdings which attract corporation tax and, as a result, the net earnings show a small decline. It is hoped to maintain the dividend in the current year.
- Your board believe that the U.S. economy will begin to pick up towards the end of 1975 and in this belief, they have arranged a new dollar loan of \$5.0m to take advantage of such expected recovery. The loan has now been fully drawn down and invested.
- Your directors see no reason at present for altering their policy of maintaining a large part of the company's funds in overseas investments but will be quick to alter course if a country's economy shows signs of stagnating or greater investment opportunities reveal themselves elsewhere.

The Annual General Meeting will be held on Monday, 9 June 1975.

Copies of the Annual Report and Accounts may be obtained from The Secretary, The Edinburgh Investment Trust Limited, 3 Charlotte Square, Edinburgh EH2 4DS.

Pan Am row peace talk in U.S. next week

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS are to be held in Washington next Wednesday between the U.K. Department of Trade and the U.S. State Department, in a bid to resolve the dispute over the level of commissions that Pan American World Airways pays its travel agents.

The dispute has arisen over differing legal interpretations of the Anglo-U.S. Bermuda Agreement, which governs air services between the two countries, following a Pan Am decision to pay its travel agents a 3 per cent increase in commission on ticket sales, instead of the 1 per cent rise that most other airlines want to see.

The U.K. is insisting that Pan Am can only pay the 1 per cent increase (making a 7½ per cent commission) in the U.K. and anywhere else in the world, for flights to the U.K. In effect the U.K. is claiming "extra-territorial rights" to control what level of commissions agents can get, say, in New York, on tickets sold for Pan Am flights to Britain.

This the U.S. is objecting to strongly. While admitting that the U.K. has rights over commissions in its own country, the U.S. State Department denies Britain's right to any say in what

agents are paid in the U.S. or elsewhere.

Pressure on Pan Am has been brought by the U.K. which says it will not consider applications for charter flights planned after May 26, unless Pan Am agrees to drop its 3 per cent rise in commissions world-wide on flights to Britain.

Pan Am has also been formally warned that if it has not accepted the U.K.'s requirements by the end of next week, Mr Peter Shore, the Secretary of State for Trade, will have to consider whether to revoke Pan Am's operating permit to the U.K.

The U.K. is basing its case on Annex 2 of the 1946 Anglo-U.S. Bermuda Agreement on joint air services, which rules that in agreeing to routes for such flights "all relevant factors" shall be considered. The U.K. says this includes commission payments. The U.S. disagrees.

Even in the U.K. the travel trade believes the Department of Trade is wrong. The Guild of Business Travel Agents believes Pan Am is within its rights and has told its members to issue "debit notes" to such airlines as British Airways for the difference between the 3 per cent increase Pan Am wants and the 1 per cent rise British Airways is paying.

Adaptable

Magnolias never seem to be attacked at all, probably because their buds are too big and downy, and though they certainly do not provide the answer to the bird problem in all gardens, since only a few varieties have a high tolerance of chalk or lime, which cherries love, they are considerably more adaptable than many gardeners suppose.

There are, for example, few soils in which Magnolia stellata will not grow, and it is also one of the best choices for small gardens since it flowers young, grows quite slowly and takes many years to reach its maximum height of around 10 to 12 feet.

The white flowered form is the most familiar but there are at least two pale pink varieties, *Rosea* and *Rubra*, which are equally satisfactory, there is also a delightful pink hybrid named *Leonard Messel* which will in time make a small and beautiful tree. All will grow well on moderately alkaline soils and are excellent town shrubs.

Magnolia soulangeana is also easy to manage and I often admire its large tulip-shaped flowers as I drive into London in spring, for many good trees are to be seen even along the main suburban roads. This must be the most widely planted of all magnolias, though it is not really so suitable for small gardens as *M. stellata* because of its much greater size. It needs an acid soil and partly been slowly replacing my really a tree, not a shrub, but because it flowers so early that Japanese cherries, with a very broad one with the its display is likely to be cut many of the buds from the cherries that they seldom produce a worth while display. There are exceptions, though I have never been quite sure whether this was due mainly to the sitting of trees can be important since cherries that are growing close to roads are seldom attacked, presumably because traffic frightens the birds, particularly the bullfinches which do most of the damage.

Separate export body urged

A CALL for exports promotion to be taken away from the Department of Trade and entrusted to a separate and wholly independent ministry was made yesterday at the annual conference of the Clothing Manufacturers' Federation.

Mr. Joe Guzman, chairman, said the Trade Department was already overloaded with other responsibilities. A new body was needed which should be headed by someone who knew and understood the problems and who had authority to solve them.

Student numbers plan faces economic snag

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A WARNING that the Government's pay-off now referred to student numbers could face economic difficulties, came yesterday from Lord Crowthier-Hunt, Minister of State for Higher Education.

He told the Association of University Teachers' council, in Manchester, that the Government was having to consider the most economical ways of increasing student numbers on degree-level and other courses.

Then he added: "Indeed, we shall have to consider whether our targets here can actually be met without creating conditions unacceptable to all concerned."

Present policy includes a one-third increase to 640,000 full-time students in polytechnics and universities by 1981.

Lord Crowthier-Hunt also said

that despite the dispute over pay—now referred to arbitration—the Government held the universities "in the highest possible esteem."

The university vice-chancellors and principals committee yesterday supported the dons' union in its demand that the 12-month rule of the social contract should be relaxed to allow a pay increase before October.

The dons have been held to a Stage Three rise of 8 per cent, plus thresholds, while staff in non-university institutions have grossed rises of around 35 per cent.

"The manifest injustice of this situation is the biggest single factor in the very considerable loss of morale which is occurring in the universities," the vice-chancellors declared.

Speaking after the corporation's annual meeting at which pre-tax profits of £59.6m for 1975 were reported, Mr. Popham said that

newsprint prices may well remain at current levels for a while because producers had been cutting output rather than prices.

He added that while Bowater's North American newsprint activities were likely to produce the same level of profits as last year if current trading continued, margins were still not satisfactory.

Assuming static costs, prices would have to rise by around 33 per cent, to give a return which would justify major new investment in newsprint capacity. Consumption was heading up well in the U.K. although the group was concentrating on expansion of high-grade paper production.

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Gardening The case for magnolias

BY A. G. L. HELLYER

FOR SOME time past I have been slowly replacing my Japanese cherries, with a very broad one with the its display is likely to be cut many of the buds from the cherries that they seldom produce a worth while display. There are exceptions, though I have never been quite sure whether this was due mainly to the sitting of trees can be important since cherries that are growing close to roads are seldom attacked, presumably because traffic frightens the birds, particularly the bullfinches which do most of the damage.

Quite different from these are the summer flowering magnolias with hanging cup-shaped white flowers, each with a central boss of crimson stamens. *Magnolia sieboldii* is the one most likely to be offered, but if they can be found either *M. sinensis* or the closely-related *M. highdownensis* are better buys since they are easier to grow and are more tolerant of lime. But all are delightful small trees, never showy like the spring flowering magnolias, but elegant, pleasantly scented and never likely to become a nuisance.

The real tree magnolias, such as *M. campbellii*, *M. sargentiana* and *M. sprengeri*, are magnificent when they get going, but take so long about it that few have the patience to plant them. Twenty years is a long time to wait for the first sight of those immense rose-pink blooms, but the fine variety of *M. campbellii* named *mollicoma* can cut this extended adolescence by half that I chiefly value *M. grandiflora* and is gradually becoming a more popular tree to buy. Even so it named *Ferruginea*, has an extra can never become popular in the dense foliage of that attractive manner of *M. stellata* and *M. soulangeana* partly because of its much greater size. It needs an acid soil and partly been slowly replacing my really a tree, not a shrub, but because it flowers so early that Japanese cherries, with a very broad one with the its display is likely to be cut many of the buds from the cherries that they seldom produce a worth while display. There are exceptions, though I have never been quite sure whether this was due mainly to the sitting of trees can be important since cherries that are growing close to roads are seldom attacked, presumably because traffic frightens the birds, particularly the bullfinches which do most of the damage.

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Matthews Wrightson Holdings Limited



Stewart Wrightson Limited
Incorporated Insurance Brokers - and at Lloyd's
Galbraith Wrightson Limited
Shipbrokers on the Baltic Exchange.
Matthews Wrightson Pulbrook Limited
Underwriting Agents at Lloyd's
Matthews Wrightson Land Limited
Rural land use
Instone Air Transport Limited
Air Brokers on the Baltic Exchange

1974 pre-tax profits were £5m after charging the cost of holding rural land stocks (£1.7m). This compares with £5.8m in 1973.

Profits from insurance broking (£3.6m), shipbroking (£2.0m), management of Lloyd's underwriting agencies (£546,000) and airbroking (£161,000) all showed improvements over the previous year.

Rural land use operations, before charging the cost of holding land stocks, continued to be profitable overall (£364,000), although at a lower level than last year.

If you would like to receive a copy of the Report & Accounts, please write to The Secretary, Matthews Wrightson Holdings Limited, Fountain House, 130 Fenchurch Street, London EC3M 5DJ.

WATTS BLAKE BEARNE

& COMPANY LIMITED - NEWTON ABBOT

Strong Position to Face Future

Mr. C. D. Pike, O.B.E., M.A., LL.B., the Chairman, in his annual review, reported:

- * Pre-tax profit of £1,446,881 (£1,027,268).
- * Ball Clay sales exceeded 500,000 tonnes for the first time, and supplied to over 50 countries.
- * Exports of China Clay increased to 46%.
- * Investigation of full potential of German deposit being energetically pursued.
- * Prospects: 1975 will not be an easy year but preparing to take full advantage of next upswing, of which first signs, on the Continent of Europe, are expected early in 1976.



PRODUCERS OF BALL AND CHINA CLAYS

OVERSEAS NEWS

Japan goes into deficit again

TOKYO, May 16. JAPAN recorded its first balance of payments deficit for three months in April, but the basic balance position remained favourable, according to preliminary figures released today by the Finance Ministry.

The Ministry reported an overall payments deficit for April of \$420m, compared to a surplus of \$280m a month earlier.

The deficit came mainly from movements of short term capital and errors and omissions in the accounts, the Ministry's figures showed.

The basic balance of payments, which excludes short term capital flows and is regarded by economists as the most accurate guide to a nation's external economy, continued in the black

Michael X hanged in Port of Spain

By David Renwick

PORT OF SPAIN, May 16. Michael Abdul Malik, former London-based Black activist, was hanged today in the Royal Jail here for the murder of a barber at Christina Gardens in Trinidad in February, 1972.

Malik, who as Michael X dominated London's Black Power scene for over a decade, was also charged with the murder of the British socialist Gale Ann Benson, daughter of a former member of Parliament, but was never tried for this offence.

Malik was the first man in Britain to be imprisoned under the Race Relations Act for inciting racial hatred in a speech at Reading in 1962. He spent over three years in jail in Port of Spain awaiting execution while lawyers argued his appeals right up to the Privy Council.

His case was taken before the Privy Council twice, the last time on grounds that the harshness of the sentence infringed his constitutional rights.

Malik's final appeal was rejected by the Privy Council in London early this month. On Wednesday, Queen Elizabeth signed the order allowing the execution.

Malik, who advocated racial violence until he announced a change of view in 1970, fled from Britain to escape robbery and blackmail charges in 1971 after 20 years in the country. Early in 1972, Trinidad police issued a warrant for his arrest after two bodies were found in the grounds of his burned-out house near Port of Spain.

MAYAGUEZ INCIDENT

Thai PM accuses U.S. and orders treaty review

BY OUR ASIA CORRESPONDENT

MR. KUKRIT PRAMOJ, Thailand's Prime Minister, yesterday repeated Cambodia's claim that the Mayaguez was a spy ship and had entered Cambodian territorial waters.

The Thai Prime Minister told newsmen after a Cabinet meeting. "We can't ignore such action by friendly country in order to ensure that such action does not occur again, we shall inform the U.S. that we will review all treaties and agreements up to date," he also said that the review would try to ensure that the same situation did not arise again.

It seemed to some observers that Mr. Kukrit's action was made in sorrow as much as in anger. "I love America," he said, "but I have doubts about what Thailand could do in hard, practical terms."

The Prime Minister ruled out any severing of diplomatic relations, but said that the action might include a speeding up of the withdrawal of U.S. troops from Thai bases—but these are all scheduled to leave by March anyway.

Mr. Kukrit said that the U.S. could not prevent Thailand from being over-run—just as it

could not prevent Cambodia and South Vietnam from falling. One of Thailand's most important needs today is to stay on good terms with neighbouring countries which have newly become Communist. Yesterday it was announced that diplomats from both North and South Vietnam would be visiting Bangkok over the next few days.

The team from South Vietnam arrived yesterday in the Thai capital to discuss the continued American presence in the area. The North Vietnamese are due on Monday.

In Kuala Lumpur foreign ministers from the five Asian countries (Thailand, Indonesia, Malaysia, the Philippines and Singapore) agreed to an Indonesian suggestion that there should be a summit meeting of ASEAN to discuss the new situation in South-East Asia.

Laos airmen demonstrate

VIENTIANE, May 16. ABOUT 1,000 men of the Royal Lao Air Force demonstrated today to demand the dismissal of their Rightist commander in a move which could help strengthen the hold of the Communist Pathet Lao on the country.

The call for the sacking of General Bouthong, despite the fact that he recently rallied behind the Coalition Government, could herald a new purge of Right-wingers from senior positions.

It follows students' demonstrations last week-end which forced the resignations of several Rightist leaders.

The airmen accused General Bouthong of ordering the bombing of Pathet Lao areas in contravention of the 1973 cease-fire, and of dying air force planes to Savannakhet—a former Rightist stronghold—to prevent them falling into Leftist hands.

Reuter

Sadat will get U.S. briefing from Hussein

BY HAN HAJAZI

BEIRUT, May 16.

PRESIDENT ANWAR SADAT, Port Said area, and with \$80m-worth of Iraqi crude.

The Lebanese daily, Beirut, a newspaper known for close connections with Baghdad, reported today that President Al Bakre has given President Sadat free hand in his efforts to solve Iraq's conflict with Kuwait over the delineation of their border, and planning to hold with President Ford at Salzburg, Austria, next month.

Mr. Sadat moved to Amman from Baghdad at the end of what Iraqis here have described as a very successful mission. The Lebanese daily, Beirut, a newspaper known for close connections with Baghdad, reported today that President Al Bakre has given President Sadat free hand in his efforts to solve Iraq's conflict with Kuwait over the delineation of their border, and planning to hold with President Ford at Salzburg, Austria, next month.

Arab League to discuss EEC-Israel accord

BY MICHAEL TINGAY

CAIRO, May 16.

THE signs augur well for the meeting on May 20 of Arab League experts who will discuss the implications for the Euro-Arab dialogue of the EEC trade agreement with Israel. This was clear today at a discussion between a Community delegation and representatives of the Arab League in Cairo.

According to sources familiar with the problems of the Euro-Arab dialogue the Arab League representatives and economists were satisfied with the clarification put by the Brussels men.

Mr. Eamonn Gallagher and Dr. Klaus Meyer, at yesterday's meetings. They discussed the agenda for the planned meeting of European and Arab delegations on June 10, and observers here believe the dialogue stands a good chance of starting on schedule in spite of the angry reaction of Algeria to last Sunday's signing of the Israel agreement.

There are substantial differences between the agreement with Israel and that proposed between the Community and the Arab states. The Israel agreement was the development of an existing agreement which has been in effect under Article 113 of the Treaty of Rome since 1970.

The trade agreement rights for Israeli goods are reciprocal in the Israeli case while the agreements with the Maghreb countries are association agreements under Article 238. The association agreement does provide for tariff-free entry of Maghreb goods into Europe but without reciprocity.

There is nothing new in principle in either the Israeli trade agreement nor the Maghreb association agreement except that in the latter case Algeria will be the beneficiary of the trade privileges in the French market to join Morocco and Tunisia for privi-

leges within the whole Community.

Reuter reports from Brussels: The European Common Market has shown a biased attitude in favour of Israel by signing a trade agreement with Jerusalem. Arab League ambassadors said here today. The ambassadors said in a communique that the agreement "is not only the expression of a biased attitude but also gives considerable moral and political encouragement and material and economic support to Israel."

Reuter reports from Cairo: A leading Egyptian newspaper Commentator said today the U.S. and the Soviet Union had promised each other to stop arms supplies to the Middle East.

This explained why the U.S. recently suspended any new arms deals with Israel and the Soviet Union had made no new agreements to provide arms to Egypt, the commentator said.

Thsan Abdel Kaddous, board chairman of Al Ahrar newspaper, expressed fears that Washington and Moscow would be content to freeze the present situation, in which Israel occupies large chunks of Arab territory in Egypt, Syria and Jordan.

In a front page article, Kodous said it appeared the two super-powers had decided of bringing about a Middle East peace settlement, and had decided to leave the situation as it was and not intervene.

The first ships to pass through the Suez Canal which is due to open on June 5 will have a maximum draught of 33 feet, it was reported today in the Cairo Press. This temporary ruling, clearly designed to satisfy the most stringent safety precautions after eight years of non-use of the waterway, will be applied for six weeks after which ships of up to 38 feet draught will be allowed through.

Reuter

Jobs worry French

BY GILES MERRITT

PARIS, May 16.

UNEMPLOYMENT has in recent weeks become a major French preoccupation, according to the latest opinion poll to be published here. And in line with Finance Minister Jean-Pierre Fourcade's prediction this week that the rise this month and next will have dropped to around 0.5-0.8 per cent. monthly, concern over the inflation rate has lessened, only to be replaced by worries of joblessness.

With 300,000 young people due to come on to the French labour market by this autumn, when the unemployment figure already hovers stubbornly around the 10m mark, it is not surprising that it is the under-25s age bracket in the SOFRES poll published in this morning's Le Figaro that is most concerned by the situation. More than half

those questioned in that category professed themselves "worried" by the prospect of unemployment, a sharp rise of 11 per cent. to 52 per cent. since last month's poll.

Overall, the French now seem surprised, worried by inflation and unemployment, with 33 per cent. of the poll believing that the former problem should remain the Government's top priority, and the same percentage saying that the latter should now be dealt with the most urgently.

Last month, the figures were respectively 37 per cent. concerned most by inflation and 32 per cent. by joblessness.

In spite of the unemployment bogey, however, the labour situation in France is growing increasingly militant.

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The M&G Extra Yield Fund, formed in 1973, has not had time yet to build up such a record and so there is no guide to its future performance. In investment objectives, however, it is very like the Dividend Fund. But the starting yield can be a little higher because it is much smaller and therefore able to invest in a wider range of companies, both in the U.K. and overseas.

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Price and yield on 15th May 1975
M&G Dividend Fund: Income units 76.4p
Est. gross yield 8.87% (equiv. to 5.77% net)
M&G Extra Yield Fund: Income units 48.5p
Est. gross yield 10.08% (equiv. to 6.52% net)

About M&G. M&G is a leading City institution which founded Britain's unit trusts in 1931. They have a reputation for consistently successful investment management over many years and manage funds in excess of £400,000,000 for more than 300,000 investors. They are members of the Association of Unit Trust Managers and the Life Offices Association.

Distribution dates: M&G Dividend Fund—July 15th, January 15th (next distribution to new investors 10th January 1976). M&G Extra Yield Fund—June 1st, December 1st (next distribution to new investors December 1st). Investors who buy accumulation units have their income retained in the Fund to increase the value of their units. Units can be converted from one type to another, free of charge. Units can be bought or sold on any business day. The normal difference between buying and selling prices is about 6%. Charges. A preliminary charge of 2.5% of the value of each unit is included in the price. An annual charge of 1.5% plus VAT of the value of the Fund is deducted from gross income. Trustees: Barclays Bank Trust Company Limited, 54 Lombard Street, London EC3R 3AH. The Trust Deeds may be inspected at this address or at the address of the Managers.

Portfolio. Copies of the latest portfolios can be supplied on request to the Managers. Both Funds are currently invested at least 95% in equities. The Funds are unit trusts, authorised by the Secretary of State for Trade, and wider range investments for the purposes of the Trustee Investments Act, 1961. Units of these Funds are quoted on the London Stock Exchange. Managers: M&G Securities Limited, Three Quays, Tower Hill, London EC3R 6BQ. Tel: 01-626-4588.

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Favourable Results in a Difficult Year
HIGHLIGHTS FROM MR. BRYAN TOYE'S STATEMENT

Bearing in mind the difficulties of the 3-day week, raw materials supplies and the general down turn in business activity, I believe a modest expression of satisfaction is not misplaced. The dividend recommended is 5.025%.

Sales for the first quarter of this year have increased by 34%. This increase includes sales from our new venture of Toye Marketing Ltd., and also E. Dent & Co. Ltd., which was acquired last year.

Future — The Board is continuing its policy of expansion. We are confident in the inherent soundness of the business, in the merchandise we offer and our ability to remain competitive.

| | 1974 | 1973 |
|--------------------|------------|------------|
| Turnover | £2,995,242 | £2,382,789 |
| Profit before Tax | 224,138 | 214,585 |
| Profit after Tax | 110,599 | 112,446 |
| Earnings per share | 4.91p | 5.0p |

Greek ex-Premier charged

ATHENS, May 16.

FORMER Greek Premier Spyros Markezinis was today charged as moral instigator of the attack by troops and tanks on Athens Polytechnic in November 1973 during which at least 34 people were killed and more than 1,000 injured.

The charges were levelled by the plenary session of Athens Court of Appeals which acted on a lawsuit filed by Mr. Constantine Dimakias, pensioned civil servant who lost an eye during the incidents.

One day after troops backed by tanks stormed the polytechnic to evict about 5,000 students who had barricaded themselves inside the campus to protest against the military regime of President Generalopoulos, Mr. Markezinis appeared on television and stated he condoned the action against the students.

MEXICO SIGNS \$200m. LOAN IN LONDON

By Malcolm Rutherford

MEXICO is exploring the possibilities of raising \$200m. in Iranian rials and some of the Middle East currencies, according to Sr. Mario Ramon Beteta, the Under-Secretary of Finance and Public Credit. Sr. Beteta will shortly be accompanying a number of Mexican bankers on visits to Saudi Arabia, Kuwait, Lebanon and Iran when the loan possibilities will be discussed.

Speaking to journalists in London yesterday, he said that Mexico would need assurances of the availability of the currency at the time of repayment and also against revaluation.

Sr. Beteta was here for the signing of a \$200m. loan to provide financing for the expansion of the Mexican economy. Interest rate is 11 per cent, per annum over the London Interbank offered rate.

The Government is prepared to make a £3.5m. injection into an ailing toy company to save 400 jobs. Elinor Goodman reports

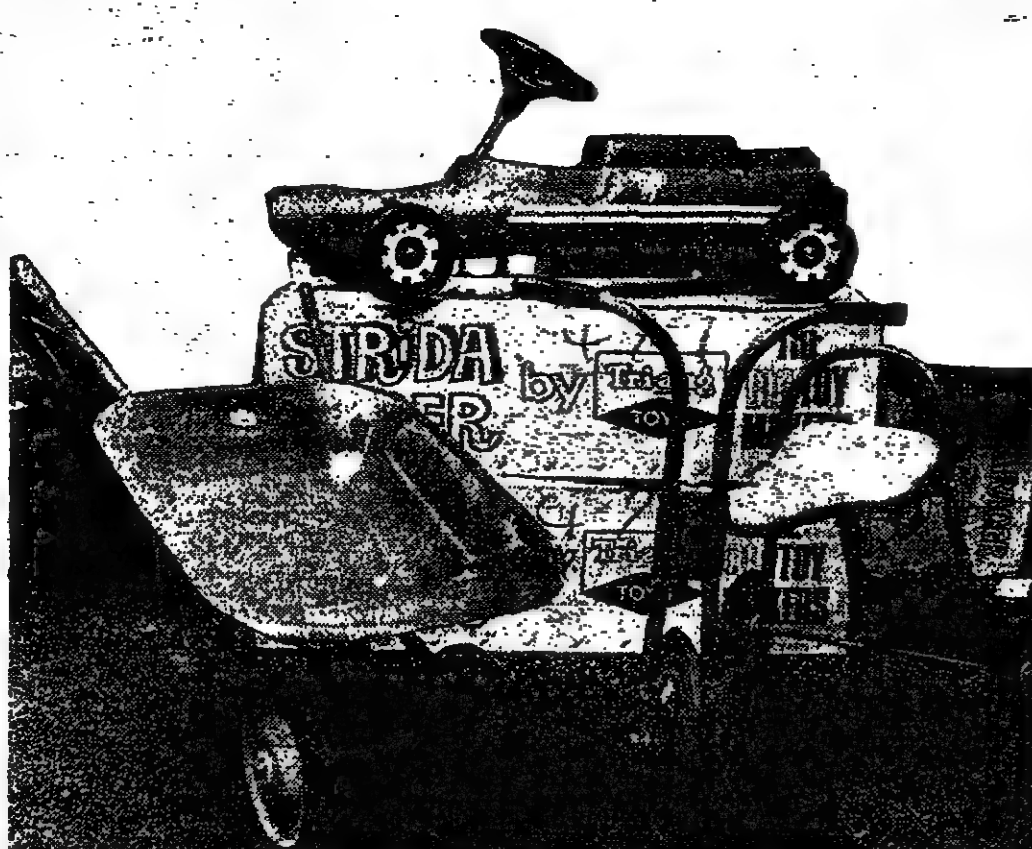
The price ticket on State-aided toys

ON THE FACE of it there is something a little quaint about the Department of Industry Servants, it seems, will not be bothering to get involved in the expected to start testing tri-ang business at a time of national crisis. Yet this week the Government took a stake in the ailing Tri-ang Pedigree toy company and thus entered the bizarre world of push carts, perambulators and tricycles, a world in which grown men will spend hours agonising over the right shade of blue for a scaled-down Mini or where the wrong groll in a teddy bear can spell financial ruin.

To opponents of Government intervention, the Tri-ang deal must have seemed like Bannery gave had. The £160m. toy industry could hardly be said to be vital to the economy and Tri-ang itself is only a very small and sickly part of that industry. The guarantee of up to £3.25m. offered by the Department is a high price to save 400 jobs even in an area like South Wales, threatened as it is by further large-scale redundancies as a result of the planned closure of the steel works at Ebbw Vale.

Rescue

Yet in some ways the manner in which Tri-ang is being bailed out is more reminiscent of the days of the Industrial Reorganisation Corporation than the recent crop of Government cash injections. The rescue operation is being carried out in association with Airfix Industries, a well-established toy company whose track record is guaranteed by the kind of upheaval which made toy shares tumble on the Stock Exchange in the late 1960s. Though the Government is taking one third of the equity



Three models from the Tri-ang range of toys: this year the industry expects that "pocket money" toys selling for under £1 will do best.

in a classic example of asset stripping. Mr. Bentley closed the factory at Merton and made 1,200 workers redundant. A year later, Tri-ang was sold to Mr. Bentley, another newcomer to the toy industry, who kept the company in his own private portfolio. Production at the two remaining factories in Merton, "Tyddi" was further rationalised and eventually concentrated into one factory employing 400.

In November last year the Tri-ang management first approached the Government for help. That request, together with another made in March, was turned down, though the two remaining factories in Merton, "Tyddi" was further rationalised and eventually concentrated into one factory employing 400.

circulated did little to help Tri-ang. Wholesalers and the big retail chains were reluctant to place orders with a company whose continued existence was a subject of such open speculation. Similarly, Tri-ang's own suppliers became worried.

Then, in March, the company's management told the unions that unless some outside help was found, the factory would have to close. At this stage Airfix had not come into the picture as a serious buyer, though Dunbee-Combe-Marx, the other major toy company to have mopped up the remains of Lines, was very much in the running.

Mr. Richard Beecham, joint managing director of DCM, who has turned Lines' once loss-making Revex division into a profitable venture, claims that he was offered similar terms to Airfix by the Government, but balked at the final fence. In his opinion, Tri-ang has virtually no hope of ever making money. He points out that the product range of dolls prams and "riding" toys is geared to the more expensive end of the toy market: toys selling at over £3, he argues, will have a hard time this year. Moreover, Tri-ang is also involved in the traditional pram market and in this era of car-owning families, carry cots, not prams, are the order of the day.

Problems

Mr. Ralph Ehrmann, chairman of Airfix, admits that he has problems at Merton, but he has been given both time and money by the Government. As well as subscribing for £1m. of redeemable preference shares and granting loan facilities of £1.25m., the Government is making a grant of up to £1m. available towards possible losses incurred over the next two years. Tri-ang's best asset, says Mr. Ehrmann, is its name. What is needed now is not only an injection of cash but an "injection of confidence." Not least among its problems, he says, is the rapidity with which the company has changed hands in the past.

Though no one in the toy trade expects 1975 sales to equal last year's bonanza when retailers bought far more than they could possibly sell, the big companies say that now Tri-ang has been propped up there will be no major upheavals of the kind that typified the late 1960s when Lesney fell from grace. The only further change in the line-up of big manufacturers predicted for this year is that Mr. Alliance might be persuaded to sell Chad Valley, his last major stake in the toy industry. The shake out, it is agreed, will be among the wholesalers and smaller manufacturers who have little, or no, export trade and who are already in the pincers of a cash flow crisis. The highly seasonal nature of the toy industry means that cash is always a problem; this year the problem is heightened by the unusually high level of stock already in the pipeline. Retailers, who over-ordered last year in anticipation of manufacturers rationing toys, ended up with an embarrassment of stock. Consequently orders from the home market were well down at this year's trade fairs and the likelihood is that retailers will order their Christmas supplies later than ever before. This leaves manufacturers with the

Increase

Most of the big companies, like Lesney and DCM, claim to have increased their overall production targets this year despite the lower level of ordering at the fairs. However, even these companies admit to having introduced short-time working in some areas. DCM, for example, which is working at full capacity in four of its divisions, has introduced short time working in its Combox plants.

Most toy men admit that a depressed economy must eventually hit toy sales. Children, they argue, will be the last to suffer from a recession, but parents may exercise an element of restraint in their spending on toys. This year, it is expected that it is the "pocket money" toys selling for less than £1 that will do best. For this reason manufacturers are switching their production from the luxury lines and to the lower priced ranges. DCM, for example, has pruned the great majority of its products selling at over £5. Among the casualties have been several child wonders, including a doll that talked, walked, and drew pictures.

In this situation, where £5 is seen as the magic price barrier, it will be interesting to see what happens at Tri-ang where prices usually start around that mark.

LABOUR NEWS

BSC men plan to stop steel imports

BY OUR LABOUR STAFF

SHOP STEWARDS of British Steel Corporation plants which are threatened with closure or major redundancies are seeking a nationwide blockade of all imports to prevent work being taken away from their plants.

At a meeting in Cardiff yesterday they decided to ask dockers and railwaymen to "black" imports, particularly those designed for the low-cost plants to which BSC plans to shift production.

The meeting was told that stewards at three steel works—East Moors in Cardiff, Shotton in North Wales and Shelton in Lincolnshire—have already made arrangements with dockers in their areas.

It is not clear when the steel committee are taking place.

Miners will stay on top of wage race—Gormley

BY OUR LABOUR STAFF

A CLEAR warning was given yesterday that the miners intend to remain pacemakers in the wage race, despite Britain's economic plight, and pleas from the Labour Government for a slow-down in pay claims.

The message came from Mr. Gormley, Minister of State for the National Union of Mineworkers, at the North West Miners' Conference in Blackpool yesterday.

Mr. Gormley said that the miners' demand for a 10 per cent pay rise in return for a £12 a week pay rise and to table a new claim in November.

This follows a refusal by the 6,000-strong Scottish work force a few weeks ago to go on strike in support of the claim, which sought the regular annual pay settlement following an interim award of £8 a week last November.

Although at first it may appear to be a triumph for the company, the shop stewards' move to put off new pay talks until the autumn is believed to be not wholly welcome.

The company had hoped to use

R-R Scottish workers to drop £12 pay claim

SHOP STEWARDS at the Scottish plants of Rolls-Royce (1973), says is the only way for wage engine manufacturer, decided yesterday to drop their demand for a £12 a week pay rise and to table a new claim in November.

This follows a refusal by the 6,000-strong Scottish work force a few weeks ago to go on strike in support of the claim, which sought the regular annual pay settlement following an interim award of £8 a week last November.

Although at first it may appear to be a triumph for the company, the shop stewards' move to put off new pay talks until the autumn is believed to be not wholly welcome.

The company had hoped to use

Post vote up to Scanlon

BY OUR LABOUR STAFF

THE CASTING VOTE of Mr. Hugh Scanlon, left-wing president of the Amalgamated Union of Engineering Workers, will be required to settle a major constitutional crisis in the 12m.-strong union.

Last week the union's rules revision conference at Blackpool voted 27-25 to retain the postal ballot system for electing officers.

But following the discovery that two "non-voters" had been on the 82-man National Committee, their credentials were withdrawn and their votes discounted. This left the union with a stalemate on the postal ballot issue, 22-25.

At yesterday's private session Mr. Scanlon was pressed to use his casting vote to clarify the position. He promised he would accept full responsibility and give his decision before the conference ended tomorrow. One short-time working.

Chief Whip's job like pet poodle, complains Mellish

BY JOHN HUNT

THERE ARE renewed indications at Westminster that Mr. Bob Mellish, the Government Chief Whip, is dissatisfied with his present job and is once more pressing for a change.

In a surprising intervention in the Commons yesterday he declared that he was no longer the watchdog for the Government but, in the last few months, had merely become regarded as "the pet poodle."

Disenchantment

His sudden outburst reflects his disenchantment over discipline in the Parliamentary party and the continued rebellions on the Government benches, particularly by the Left-wing Tribune group.

In recent days he has made no secret of the fact that he still feels strongly that after six years in his present arduous job he is overdue for a transfer. At the age of 52 he hankers after a Ministerial job, preferably in housing, where he can make a useful contribution in his final years in the House.

Yesterday's declaration is undoubtedly a strong hint to the Prime Minister that Mr. Mellish hopes for a change in the Government reshuffle expected after the referendum.

In December Mr. Mellish handed his resignation to Mr. Wilson after more than 30 Labour MPs rebelled against the Government in the defence debate. He complained that he could not organise Government voting if he had to deal with two parties within a party.

But he was persuaded to withdraw his resignation on the understanding that a stronger line would be taken against such rebels, and after a two-week holiday for health reasons he resumed his duties.

Despite the assurances, however, his difficulties have continued, and with an effective Government majority of only one in the Commons he has had a harrowing task.

In February there was a backbench revolt against the increase in the Civil List payment to the Queen. Last week there was more trouble when 56 Labour MPs voted against the defence estimates.

On Wednesday this week a group of moderate backbench Labour MPs put down an amendment to prevent the Government hitting the disqualification on the 11 Clay Cross councillors. This was narrowly defeated after Mr. Mellish had with great difficulty persuaded the five Labour supporters of the amendment to abstain from voting on it.

Mr. Mellish's latest remarks came yesterday in a debate on the guard dogs Bill. He entered the Chamber and sat on the Opposition benches, prompting Sir Mervyn Glyn, the Deputy Speaker, to observe: "The Chief Government guard dog is not sitting in his properly licensed kennel."

View opposite

He retorted: "I am sitting here because I occasionally think it right that I should see what my party actually looks like from the other side."

"Reference has been made to the fact that I am the guard dog of this place. My experience in the last few months has been that I am no longer that but regarded only as a pet poodle."

Mr. James Wellbeloved (Labour, Erith and Crayford) declared: "We know from experience that very often the Government chief guard dog's bark is not as fierce as it might be."

Moscow talks for Shore as trade improves

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

MR. PETER SHORE, Secretary of State for Trade, leaves for Moscow on Monday for a week of talks with Soviet officials aimed at identifying the best areas for future trade.

The trip is seen as a follow-on to Mr. Wilson's visit to Moscow in February when co-operation programmes and a 250m. export credit deal were prepared. It comes just as Anglo-Soviet trade is showing its first sharp upswing for years, and the British side is optimistic about the prospects of ending Britain's heavy deficit which amounted to £285m. in 1974.

Most of Mr. Shore's discussions will be in the context of the Anglo-Soviet Joint Commission which holds its fourth session in Moscow next week. But he will also be seeing individual Soviet leaders and Ministers.

He will be accompanied by Mr. Edward Bishop, Minister of State at the Ministry of Agriculture, and Mr. Alex Eadie, Parliamentary Under-Secretary of State at the Department of Energy, along with Lord Kearton, newly appointed chairman of the East European Trade Council.

The Soviet side will be headed by Mr. Vladimir Kirilits, deputy premier and Chairman of the State Committee for Science and Technology, who signed the Anglo-Soviet cooperation agreement in London last year.

In the first quarter of 1975 British sales to Russia leapt by over a half while Russian exports declined slightly, though Soviet sales at £73m. still greatly exceeded U.K. sales of £39m.

Mr. Bishop's inclusion in the delegation reflects the strong prospects for purchases of British agricultural equipment and know-how. Other promising areas include technology and equipment for nuclear power engineering, aviation and oil drilling, and complete plants.

The recession in the car industry has resulted in British Sealed Beams of Corby laying off almost one-sixth of its total workforce. The workers were already working a four-day week, and yesterday nearly 100 men employed in making headlamps were made redundant.

Naima Williamson has laid off a further 75 workers at its factory in Kirkcaldy, Fife, because of the lower demand for floor covering. Seven months ago 64 other workers lost their jobs while 240 of the total workforce of 1,900 are now working a four-day week.

London stockjobbers cease trading

BY MARGARET REID

BRADFORD BROS., the two partner and a member of the Stock Exchange for 44 years, its smallest stockjobbing concern, ceased trading yesterday. The range of some 16 leading stocks in which it has hitherto dealt is to be taken over from Monday by Stocken and Lazarus, a medium-sized jobber.

Mr. Ernest Bradford, senior partner and a member of the Stock Exchange for 44 years, is understood to be retiring. The other partner, Mr. Peter Cole, is joining Stocken as a member dealer.

In a notice posted yesterday in the Stock Exchange, it was stated that all Bradford's outstanding obligations would be settled by Mr. Bradford at his firm's office.

For Stocken, which is a prominent dealer in foreign stocks, including South African, the start of trading in the issues hitherto dealt in by Bradford represents a diversification into industrial for the first time. The maintenance of competition

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COMPANY NEWS + COMMENT

Record £2.68m. from Steel Brothers

THE INCREASED profit forecast by Steel Brothers Holdings turns out to be a record £2.68m. for 1974, compared with £2.43m. for the previous year, after £1.09m. (£0.86m.) for the first half.

Earnings per 50p decreased from 18.55p to 17.53p, but after extraordinary items they were up from 11.51p to 17.61p. A final dividend of 4.35p raises the net total from 6.9075p to a maximum permitted 14.9575p.

The company is engaged in engineering, foodstuffs and manufacturing.

1974 1973

| | 1974 | 1973 |
|-----------------------|------------|------------|
| Turnover | 54,953,321 | 47,761,119 |
| Profit | 2,681,544 | 2,431,199 |
| Depreciation | 1,143,678 | 1,122,389 |
| Shareholders' funds | 281,763 | 281,763 |
| Profit before tax | 2,679,531 | 2,431,199 |
| U.K. tax | 337,631 | 460,594 |
| Overseas tax | 1,143,678 | 1,122,389 |
| Net profit | 1,098,222 | 848,216 |
| Minority | 372,817 | 184,789 |
| Pre-division | | |
| Loss | 60,701 | 42,740 |
| Extraordinary credits | 127,941 | 127,941 |
| Preference div. | 353,867 | 353,867 |
| Ordinary div. | 222,827 | 147,110 |

The high incidence of tax of approximately 63 per cent. is due to losses in Australia and the Netherlands for which there is no tax relief. Without these losses the rate of tax would have been 49 per cent. it is stated.

comment

The long saga of losses in Australia at Steel Brothers has apparently drawn to a close and losses of £0.3m. (mostly in the first half) compared with losses of £0.2m. in 1974. In 1974, however, weakening rice prices have nearly halved U.K. and European profits to £0.9m. and interest charges have risen by 75 per cent. to £1m. How this publicised loss advances in wholesale and retail interests in the Middle East and East Africa, together with a boost from investment income, have pushed the year's total profit ahead overall. Unsurprisingly, losses overseas, leading to a 63 per cent. tax charge, have lowered attributable profits (excluding extraordinary items) but with loss elimination and a further push from the Middle East, an overall improvement is expected in 1975. A yield of 8.5 per cent. at 21p reflects an overseas profits contribution of over 10 per cent., but on income around the company's convertible fourth preference shares at 110p offer a yield premium of around 21 points and a negligible premium on conversion.

Tilling off to good start

DESPITE CURRENT economic difficulties, Thomas Tilling has had a well-informed first quarter profit show an increase on the same period last year "and are better than anticipated," chairman, Sir Geoffrey Eley, told the annual meeting of the company. Sir Geoffrey said the company welcomed the continuance by the Chancellor in his Budget of the surcharge on payments of ACT, which would mean that Tilling's own light control on working capital measures had helped to offset some of the effects of inflation on cash flow. Sir Geoffrey said he had no announcement to make on discussions with Volkswagenwerk AG on reducing Tilling's franchise in the VW and Audi-NSU franchises. The Tilling subsidiary, Volkswagenwerk (GB) Ltd., has been "unfortunate" year in 1974, but by the year end it had pulled itself round, although the rate of return was not yet adequate.

Results due next week

Chemicals and pharmaceuticals feature strongly in next week's company news list with figures expected from ICI and Beecham Group. Also producing results are Reed International, Ever Ready, Ozalid and Debenham. ICI's 1974 final quarter profits of £82m., compared with £119m. in the previous three months, provided clear evidence that worldwide chemical demand had moved into a decline. The decline continued into the current year and sharp fall in profits now seems inevitable. For the first three months of 1975, ICI's results could mean a pre-tax drop of almost 50 per cent. from the £122m. achieved last time.

Following the recent disappointing results from the pharmaceuticals sector it seems highly unlikely that Beecham Group's preliminary figures on Wednesday will provide any reason for rejoicing. At the half-year stage the group's profits were 11 per cent. higher before tax with a strong performance overseas more than offsetting a 24 per cent. drop in the U.K. contribution. The de-stocking which caused this

HIGHLIGHTS

There was a marked absence of major company news yesterday. Lex discusses the Stock Market and looks at the recent strength of Irish stocks. Elsewhere, Middle East and East African interests have helped Steel Brothers push profits ahead by a tenth over the twelve months. Stonehill has ended the year with profits only slightly lower (51 per cent.) thanks to a strong second-half performance, while the figures from Downs Surgical are regarded as mildly disappointing. Other prelims come from Allied Leather and James Harrison, while Eva Industries and Francis Industries have announced that they intend to merge.

Peak £3m. from Allied Leather

GROUP TURNOVER for 1974 of Allied Leather Industries expanded from £9.2m. to £10.6m. in 1974, compared with £8.9m. in 1973, after a first-half decrease from £27.512 to £23.040.

Earnings per 25p share for the year increased from 16.35p to 16.85p as the dividend is stepped up from 2.945p to 3.1875p net with a final of 2.015p.

| | 1974 | 1973 |
|-------------------------|------------|-----------|
| Group turnover | 10,641,344 | 9,241,927 |
| Profit before tax | 1,343,678 | 1,122,389 |
| Taxation | 1,143,678 | 1,122,389 |
| Net profit | 200,000 | 200,000 |
| Extraordinary dividends | 3,740 | 3,740 |
| Preference dividends | 3,740 | 3,740 |
| Ordinary | 63,736 | 35,900 |

Allied Leather's 1974 profits pattern has been distorted by exceptional circumstances. In the first six months when profits fell 17 per cent. before tax the group made some hefty provisions against stock losses. In the event these were not required and as a result second-half profits have risen by £100,000 to leave the full-year pre-tax level 7 per cent. higher.

The general level of activity in the shoe industry is very low at the moment but Allied supplies only to the expensive end of the trade which so far seems to have escaped any serious downturn in demand. At the same time the group is heavily involved in the shoe repair sector and this often tends to benefit from a fall in demand for new shoes. So although the industry has been experiencing quite a serious drop in orders the group's overall position looks sound and maintained profits this year seem a fairly safe bet. The shares, which rose 5p yesterday to 90p, are yielding 10.2 per cent. covered over five times.

Rakusen up so far

Pre-tax profit of Rakusen Group increased from £48,554 to £47,335 in the half year to December 31, 1974, after interest of £87,880 (£41,427). Due to previous years' losses the tax charge has not yet been computed. The chairman, Mr. R. Minton, says he is confident that the current year's results will show a marked improvement over earlier years which will enable recommendations to be made for a year to June 30, 1975 a single payment of 0.333p net per 10p share was paid from a pre-tax profit of £101,881.

The profit was achieved in spite of the fact that the group has been disturbed in production due to the move to new premises where the company is now in full production. Advantages of this move

will be on whether Downs achieves the returns on plant acquisitions needed to service its debt; the annualised interest charge must be approaching £9.2m. At 44p, the yield is 7.25 per cent.

Upsurge at James Harrison

EDINBURGH BASED builders James Harrison Holdings, announces pre-tax profit more than trebled from £146,155 to £444,178, on turnover down from £3.8m. to £2.5m. for 1974.

Earnings per share are shown to be up from 1.58p to 4.19p per 10p share. Dividend for the year is 2.155p gross (1.914p), as forecast at the interim stage when pre-tax profit was up from £38,457 to £224,112. In net terms the dividend is 1.399p (1.3125p). Tax charge for the year is £230,888 (£66,798), leaving £213,291 (£177,357).

comment

Excluding profit on sale of development land of £132,000, James Harrison has staged a partial recovery and doubled pre-tax profits against the comparable period. Some of the advance may relate to the gradual eradication of loss making public works contracts, which are now nearly all behind the company. For a while Harrison refrained from entering into new contracts, and the emphasis shifted to private housebuilding. Since then the group has come back into the market for contracts, but only on a selective basis with full price adjustment clauses. Private housebuilding has understandably been depressed, but now the company is achieving encouraging results. Whether this adds up to a full recovery in 1975 it is just too early to tell. At 15p the yield is 14.7 per cent. and the p/e 31, but of the market capitalisation of £35m. under a fifth is out of firm hands.

comment

After a depressed first half Stonehill has come back with second-half sales 39 per cent. higher and profits up by a third. The annual turnover better by 131 per cent. and profits up by 51 per cent. lower. Autumn demand was even better than expected (earlier indications had been for a 25 per cent. advance in second-half sales, and two price increases, in October and January, enabled the company to hold the slip in the year's margins to around two points at 11 per cent. The group's hard look at export potential and this may bear fruit during 1975-1976; meanwhile sales have got off to a good start this year. At 15p the yield is 16 per cent. and the p/e 31, but of the market capitalisation of £35m. under a fifth is out of firm hands.

comment

The company was now working a five-day week and Mr. Allen was hopeful of a reasonable level of profit for the first half year.

Winston Metals (Worcester) was performing satisfactorily and new orders had picked up, he added.

Better profit level at Storey Bros.

Dr. D. A. Harper, chairman of Storey Brothers and Company, the personal and home decor specialists, told the annual meeting that unaided figures for the first six months of the current year indicated an appreciably better level of profit than in the second half of last year.

This reflected the delivery of

DIVIDENDS ANNOUNCED

| Company | Current payment | Date of payment | Current payment | Date of payment | Total last year |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Allied Leather | 2.015p | July 2 | 1.34p | July 2 | 2.68p |
| Downs Surgical | 1.914p | July 2 | 1.34p | July 2 | 2.68p |
| W. Goodkind and Sons | 0.47p | July 2 | 0.47p | July 2 | 0.47p |
| Hanger Investments | 0.7p | July 2 | 0.7p | July 2 | 0.7p |
| James Harrison | 1.3125p | July 2 | 1.3125p | July 2 | 1.3125p |
| Leeds & Co. Dyers Int. | 0.82p | July 2 | 0.82p | July 2 | 0.82p |
| Plant Bros. | 0.82p | July 2 | 0.82p | July 2 | 0.82p |
| Stonehill | 0.82p | July 2 | 0.82p | July 2 | 0.82p |
| Viners | 0.82p | July 2 | 0.82p | July 2 | 0.82p |

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) Second interim 4.5p and final 2p. (b) Interim 0.7p and final 0.61p.

orders of the new Deconore range—the majority to export markets, together with better-than-budgeted sales for other important parts of the product range.

"I am therefore confident we shall produce reasonably satisfactory profits for the first half of this year," said Dr. Harper.

The directors report that current trading is satisfactory. The annual position has improved still further with cash at the year end exceeding £400,000 (£175,000). There are no overdrafts or loans and all properties remain free from mortgage, they add.

The joint managing directors have waived a total of £43,000 (£43,000). Cost of dividend, after delivery is 1.3125p (£175,000).

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Better cash flow for Glynwed

Mr. L. Fletcher, chairman of Glynwed, told the annual meeting that the first three months of the current year had seen a significant improvement in cash flow, which was running at about the same level as last year with profits materially better than planned.

Results for the year, however, will be dependent on the national economic and industrial situation.

comment

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UNIT TRUSTS

M & G's Income funds

M & G is advertising its Dividend and Extra Yield Funds this week-end. The M & G Dividend Fund yields 8.87 per cent. gross, equivalent to 5.77 per cent. net, and the M & G Extra Yield Fund has a yield of 10.05 per cent. net, equivalent to 6.55 per cent. net. The funds have an initial investment requirement of £150 each and the charges are 21 per cent. initially plus 1 per cent. per annum in either case. M & G manages over £400m. of funds.

comment

The point which M & G is making in its advertisement is that although the yields on its Dividend and Extra Yield funds are not the highest obtainable in the unit trust field, the income derived is steady and a good chance of growing over the years. The dividend record of the larger Dividend Fund is used to illustrate this. We have made the similar point over a number of years that the return on funds of preference shares is fixed and capital growth prospects are limited. The objectives of the two M & G funds are similar, but the M & G Extra Yield is slightly higher.

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ISSUE NEWS

Hestair £1m. rights

Hestair announces that it is proposing a rights issue to raise some £1m. subject to shareholders' approval at an EGM to be held on June 1. The issue of 4,360,918 Ordinary shares of 25p at 10p will be on the basis of three new Ordinary shares for every 8 2/3 held and four new Ordinary shares for every 10 2/3 held. The issue will be at a discount of 25p to the current market price of 12 1/2p.

comment

The directors intend to increase the Ordinary dividend by the maximum permitted under current legislation, this would entail gross dividends of 4.22p per share for 1974-75 and 4.22p per share for 1975-76. The company would also have a gross dividend of 1.69p per share on the new shares at the issue price.

The proceeds of the issue will be applied to the reduction of the company's borrowings and to improve the company's capital base, while the new shares will be allocated in full, excess of £50,000 existing trading opportunities and the company's development.

comment

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Index up 6.3 at 341.8—Short Gilts advance

ICL continued Army, picking up at 282p. Alida Packaging responded to a Press mention with a jump of 9 to 78p, while Carless label put on 3 to 47p. Coalite and Chemical moved up 4 to 21p with the help of Option business.

Still drawing strength from the preliminary results and 100 per cent. scrip issue. Boots advanced 13 more to 21 3/4 during a good business for a two-day rise of 23. Trade remained thin in other miscellaneous Industrial leaders.

Leadenhall-Sterling were outstanding at 47p, up 16, following news of the planned take-over by **British and Commonwealth**, 10 higher at 182p; **Vatton Furniture**, in which L&S hold a 37 per cent stake, firmed 8 to 31p. Elsewhere in **Trusts** and **Financials** **Randfontein** were a point off £30; following the annual meeting at which the chairman was less optimistic about a return to a dividend list this year. **Presidents Steyn** (£19) and **Durban Deeds** (£14) were both £1 lower, while **Elkmaar** fell 12 to 130p premium.

100-443887-100

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

Journal of Management Education 30(6)

closed 3 better at 74p and 72p respectively. . . . Shippings moved strongly ahead.

Closed at the day's end, and the market closed at 7:18 p.m., while Futures—Wheat, 10c; and Overseas Transport, 11½¢, put on a spiece. Reardon Smith continued to attract a good speculative business and the Ordinary closed 15 higher at 463½ with a 10 to the good at 223½.

Tortises were once again devoid of any real features. Courtmounds edged forward late to close 2 higher at 118½, but profiting-taking brought Lister down 3 to 49½, while British Cotton Wool returned to a similar level at 53½. Despite the second-half lullwood, Field Bros. improved 1 to 14½. Leading Tobaccos were finally little changed after initial easiness.

Golds lower

Gold shares extended Thursday's earlier trend. In very thin trading offerings of stock found little buying interest until towards the close of trading some cheap U.S.

The cum-premium overseas issues were subject to more cash offerings but they also closed above the day's worst with Anglo-American 10 off at 465½ after 482½. C. Investments, however, rose 20 coves to 455½.

London offerings of Platinum took 4 from Lydenburg, at 108. Coppers were steady with Moscovite unaltered at 345½ after 340½; it shares have fallen 30 on the following—the almost halve interim dividend.

Selective investment demand was reported in Tin shares where Kioeping, which made change to its Board at Wednesday. London meeting, added 10 to 200½.

Elsewhere, profit-taking as lack of the recent Cape buyback took 30 from Murchison at 86½. Northgate were 5 off at 31½ on the lower first-quarter profits.

UNIT-LINKED INSURANCE II

Taking the measure of performance

THE MAIN reason why many people opt for unit-linked policies rather than traditional endowment policies is that they think they will end up with more money at the end of, say, 20 years than they would have otherwise done. This is the message which the unit-linked companies have put across over the past decade and until last year it seemed as if it might be achieved without any significant risk.

A few years ago, for example, it was quite usual for unit-linked promoters to say that a guaranteed minimum-maturity value, which merely gave the policyholder the return of his pre-(representing capital growth) premiums was hardly worthwhile except as window dressing. At that time it seemed inconceivable

able that over a long period there would not be at least some upward movement in underlying values.

After the experiences of 1974, however, and there has been a considerable amount of rethinking about the meaning of "performance" and a swing back towards regarding security as perhaps the more cardinal virtue. In this context the traditional with-profit policy, of undue secrecy about the former and of being clearly uncertain about how to treat the latter when capital values were showing an unprecedented fall, suddenly seemed to have a lot of pretty good from the performance angle, when placed beside

their unit-linked counterpart. The handbook, *Regular Savings Plans*, table of maturity values, one can see that the return on the selected 10-year

equity-linked policy would have been £1,931 if it matured in July, 1986, against £1,016 (that is, the sum assured) if it had matured in July, 1974. The comparable figures for the with-profit policies of a leading traditional life office were £1,326 and £1,421. On the unit-linked side it may thus be seen that the risk/reward element is much higher.

Weighted

But it is not entirely fair to over-emphasise this aspect, for if the exercise were to be repeated at the present time the answers might well be weighted in favour of unit-linked policies. Moreover, it is difficult to make a broad comparison between unit-linked and traditional policies because most of the former have not been going

long enough. There is still only a relative handful which can produce even 10-year figures. In addition, it is no longer feasible to look at unit-linked policies as just an extension of the unit trust industry. Unit trusts were the initial linkage but since then the unit system has been extended to property, managed or 3-way funds, internal equity funds, cash or fixed interest funds and even building society shares. According to the linkage chosen, a different degree of risk and volatility is liable to appear.

Most of the comparisons are inevitably between endowments and equity-linked policies which were at their lowest ebb last year. But when one considers the effect the rise in the U.K. stock market over the past four months must have had, it is likely that equity-linked policies are once more leading the field. Up to May 1 120 unit trusts

were showing increases of 70 per cent. or more on their properties. Over two years, the December 31 values according to *Planned Savings* figures and not disastrously so. The lead this gives new life to the pound-averaging principle which goes back to the comparatively few funds which have been always been fond of promoting. This is that the same premium buys more units when the market is low and so when the market rises again the buyer gets extra benefit. But it cuts more ice in the earlier stages of a policy than it does towards the end when the policyholder has built up a substantial stock of units and stands to lose heavily if market values fall.

Internal equity funds have also had a good run over the past few months though the degree of success depended on their investment policy. In some cases almost total liquidity was evident—which shows that greater flexibility to hold fixed interest stocks is not always an advantage.

Property

Where property-linked policies are concerned, the picture is more bleak over the short-term, but rather better over the two-year period—which is where the equity-linked policies show the main scars. Over the six months to May 1, most property funds have fallen in value but with wide differences and then on it really depends on the individual requirements. Christopher Hill

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Progress in the pensions field

UNTIL RECENTLY, self-employed people and company directors were odd men out in the pensions field. Indeed, before the 1975 Finance Act those who were not members of an authorised occupational scheme were unable to save for retirement and enjoy the same tax encouragement. The changes introduced by the 1975 Finance Act split out the following new limits and rules.

For the self-employed, and this applies to anybody who is not a member of an occupational pensions scheme, contributions towards a personal pension can be made up to a limit of 15 per cent of net relevant earnings (that is, earnings from a trade, profession or vocation or from non-pensionable employment less any capital allowance loss relief and "protected" charges) in any year subject to a maximum of £1,500. The individual has the option to choose at what age, between 60 and 70, he would like his pension to start and this need not be fixed until retirement.

An important concession is that a part of the pension can be converted or "commuted" for a cash lump sum at retirement, this amount being tax free, and this is subject to the conditions that such a lump sum does not exceed three times the residual pension. At the same time, arrangements can be made for contributions towards a widow's or dependent's pension.

Top hat

As for the top hat pension, the new code of Inland Revenue practice removed one good reason for having a separate scheme for directors. Although now subject to a wider use, the term top hat arose from the introduction of "salary sacrifice" schemes. This was an arrangement between the company and a director whereby the director forwent the top, and therefore most heavily taxed, slice of his earnings and in return the company invested a premium, equivalent to the gross amount of the salary slice, at little net cost to the director and, usually, at no cost to the company. This type of scheme was subject to approval under section 222 of the Income and Corporation Taxes Act 1970 and direct contributions by the employee enjoyed at best only life assurance relief. Hence such schemes were mainly non-contributory.

However, under the new code, contributions can be made directly to a scheme, which provides cash benefits at retirement subject to full tax relief. As a result, benefits are based on full earnings, up to Inland Revenue limits; directors' fees can count, normally, as pensionable earnings; and the fund in which the money is invested can accumulate free of tax. At the same time, the rules governing controlling directors—those who control or own more than 5 per cent of the voting rights of a company's shares in a company where directors control more than 50 per cent of the equity—were relaxed.

Except in the case of a director where more than 20 per cent of the voting rights of a company's shares are controlled by himself or his dependants, directors are now on the

same footing as any other employees as far as pension, lump sum and death benefits are concerned. In the former case, final earnings are related to the average remuneration of at least three years given that the director is likely to be the master of his own final salary. So, the director, or for that matter the aspiring young executive, now has a margin of choice between joining a company pension scheme or taking out a personal pension scheme.

Difference

From the point of view of tax considerations, there is little to choose between a personal pension plan for the self-employed and a top hat contract. The main difference is that while the limitation on a personal pension policy is related to the size of the contribution, the control of top hat contracts is exercised on the size of the resulting benefit.

All contributions, subject to Inland Revenue limits, are fully allowable against basic and higher rate income-tax and these contributions are placed into a fund in which interest, dividend income and realised capital gains are allowed to accumulate free of tax. The pension itself is treated as earned income. This arrangement contrasts with that available for an endowment/immediate annuity policy.

Here, contributions attract relief at only half the basic rate of tax and because endowment insurance is part of a life fund, rather than a gross pension fund, investment returns are subject to income and corporation tax. Although the resulting pension suffers a lower tax bill than that for the personal pension, (since part of an immediate annuity payment is seen as a return of capital and therefore not taxed, while the interest portion is treated as investment income), the overall arrangement is more expensive, except in the case where post-retirement tax rate is higher (that is, a substantial inheritance). Assuming that saving for retirement involves making very long-term investments, at current inflation rates the choice of personal pension schemes must be between with profits or unit-linked policies. In the short run this is not always the case and the advantages of guarantees on non-profit policies are therefore important.

Contributions to unit-linked schemes can be made on either a single or regular premium basis. The advantages of the single premium are inherently lower charges and the fact that contributions are linked to current conditions. So the investor can shop around for the best deal. The advantage of the regular premium is that the premium rates assume a continuation of future contributions, which guarantees future premium rates, a useful guard against interest rate fluctuations.

For single and regular premiums, units are allocated at the offer price of the fund and in the regular case, a percentage of the premium is invested in units, less introductory commission and start-up expenses in the first year. Investments roll up in an exempt fund until vesting date, when there is a choice between a fixed pension, an

increasing pension at a fixed rate, or a pension that continues to be directly linked. In the case of death before the vesting date, units are returned at bid prices and in some cases there is an option to use the value of the units to effect an annuity for the widow.

As mentioned before, since the 1971 Finance Act cash benefits are allowed up to three times the residual pension. The determination of the cash benefit is easier in the unit-linked case since the pension is determined by the application of an annuity rate to the cash sum in contrast to the reverse conditions attached to with-profit policies.

The main objection to a directly linked pension is the variability of income which may result, which is the opposite of what saving for retirement is supposed to achieve. However, timing can be adjusted to suit market conditions and a low cash sum can be compensated for by high annuity rates. On the question of guarantees, unit-linked plans are, inherently, on less firm ground than traditional policies, and in the short term, say up to five years, a non-profit policy with a guaranteed pension is likely to prove more stable.

Terry Wilkinson

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The Financial Times Saturday May 17 1975

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'The Imperial Storage and Supply Company, Limited' and 'Preliminary Profit Statement and Dividend Announcement'.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'N-O-P' and 'T-U-V'.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'W-X-Y-Z' and 'Regional Markets'.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'Active Stocks' and 'Yesterday'.

THE IMPERIAL STORAGE AND SUPPLY COMPANY, LIMITED.
(Incorporated in the Republic of South Africa)
PRELIMINARY PROFIT STATEMENT AND DIVIDEND ANNOUNCEMENT
Subject to final audit, the results of the group (excluding extraordinary items) for the 14 months ended 28th February, 1975 were as follows:

| | 14 months ended 28.2.1975 (unaudited) | 12 months ended 28.2.1974 (audited) | 12 months ended 28.2.1973 (audited) |
|-------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 207 977 | 208 439 | 215 921 |
| Group profit before taxation | 11 219 | 9 832 | 9 406 |
| Taxation | 3 699 | 3 261 | 3 414 |
| Group profit after taxation | 7 520 | 6 571 | 5 992 |
| Minorities | 354 | 329 | 420 |
| Profit attributable to shareholders | 7 166 | 6 242 | 5 572 |
| Number of ordinary shares in issue | 23 654 400 | 23 654 400 | 23 654 400 |
| Earnings per ordinary share | 30c | 27c | 23c |
| Dividend per ordinary share | 12c | 10c | 10c |

Final Dividend No. 50 on Ordinary Shares
Notices are hereby given that a final dividend of 9 cents per share (1975-76 cents) has been declared on the company's ordinary shares, payable to shareholders registered in the books of the company at the close of business on 12th June 1975, together with the interim dividend of 3c per share paid on 12th December 1974. This makes a total dividend of 12 cents per share for the 14 months ended 28th February, 1975. (12 months ended 28th February, 1973-10 cents).

The dividend is declared in the currency of The Republic of South Africa and becomes due on 14th June, 1975. Dividends payable from the office of the company's London Transfer Secretaries will be paid in United Kingdom Currency at the rate of exchange ruling on 14th June, 1975.

Dividend warrants will be posted on or about 11th July, 1975. Non-resident shareholders' tax at the rate of 14.517 per cent will, where applicable, be deducted from dividends. The ordinary share registers of the company will be closed from 14th June, 1975 to 27th June, 1975 both dates inclusive.

Interim Dividend No. 72 on Preference Shares
Notices are hereby given that an interim dividend of two and three quarters per cent has been declared on the company's preference shares, payable to shareholders registered in the books of the company at the close of business on 6th June, 1975.

The dividend is declared in the currency of The Republic of South Africa and becomes due on 7th June, 1975. Dividends payable from the office of the company's London Transfer Secretaries will be paid in United Kingdom currency at the rate of exchange ruling on 7th June, 1975.

Dividend warrants will be posted on or about 30th June, 1975. Non-resident shareholders' tax at the rate of 14.517 per cent will, where applicable, be deducted from dividends.

The preference share registers of the company will be closed from 7th June, 1975 to 20th June, 1975, both dates inclusive.

By Order of the Board
J. P. Boswell
Secretary

171, Jacob Mare Street,
Pretoria,
Office of the United Kingdom Transfer Secretaries
Charter Consolidated Services Limited,
P.O. Box 102,
Charter House,
Park Street,
Aldford,
Kent TN24 8BQ,
16.5.1975

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'N-O-P' and 'T-U-V'.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'W-X-Y-Z' and 'Regional Markets'.

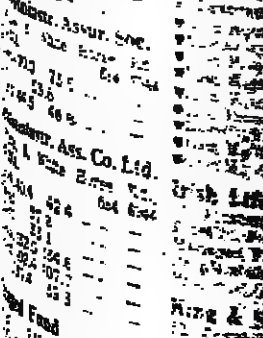
Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'Active Stocks' and 'Yesterday'.

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1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

Friday, May 16, 1973

| GROUPS & SUB-SECTIONS | | Index No. | Day's Change | Est. Earnings Yield (Mar 52) | Green Dividend Yield (Mar 52) | Est. P/E Ratio (Mar 52) | Ret. P/E Ratio (Mar 52) | Index No. | Index No. | Index No. | Index No. | Index No. | 1975 | Since Completion | | |
|---|------------------------------------|-----------|--------------|------------------------------|-------------------------------|-------------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|---------|------------------|--------|--------|
| Figures in parentheses show number of stocks per section | | | | | | | | | | | | | High | Low | Low | |
| 1 | CAPITAL GOODS (181) | 131.50 | +0.2 | 19.27 | 6.62 | 7.61 | 7.10 | 121.24 | 119.72 | 121.59 | 122.87 | 110.53 | 129.01 | 51.79 | 206.27 | 50.71 |
| 2 | Building Materials (30) | 105.81 | +0.1 | 21.55 | 7.28 | 7.16 | 7.16 | 107.58 | 105.78 | 109.05 | 111.55 | 112.85 | 117.40 | 45.11 | 235.84 | 44.27 |
| 3 | Contracting, Construction (23) | 234.05 | +0.3 | 17.97 | 4.04 | 8.22 | 8.22 | 235.29 | 230.81 | 235.70 | 240.80 | 184.23 | 224.41 | 69.11 | 252.76 | 68.44 |
| 4 | Electricals (16) | 111.64 | +0.3 | 17.70 | 5.36 | 8.14 | 8.15 | 110.50 | 106.83 | 110.13 | 111.90 | 106.60 | 123.44 | 69.11 | 252.76 | 68.44 |
| 5 | Engineering (Heavy) (13) | 147.55 | +0.5 | 21.55 | 7.32 | 7.02 | 7.02 | 148.24 | 145.08 | 145.85 | 145.99 | 110.51 | 159.79 | 64.39 | 202.57 | 64.29 |
| 6 | Engineering (General) (65) | 107.18 | +1.0 | 19.73 | 7.44 | 7.39 | 7.39 | 106.10 | 105.13 | 106.09 | 106.83 | 89.68 | 110.07 | 45.45 | 188.99 | 45.45 |
| 7 | Machine and Other Tools (11) | 69.02 | +1.0 | 12.79 | 7.78 | 13.97 | 13.97 | 67.26 | 67.46 | 66.87 | 67.38 | 37.04 | 65.51 | 45.45 | 188.99 | 45.45 |
| 8 | Miscellaneous (23) | 111.80 | +0.3 | 18.76 | 7.00 | 7.26 | 7.24 | 111.00 | 110.56 | 111.40 | 111.56 | 100.12 | 116.51 | 69.11 | 252.76 | 68.44 |
| 9 | CONSUMER GOODS (DURABLE) (59) | 82.97 | +0.3 | 21.47 | 7.44 | 6.80 | 6.79 | 82.54 | 82.14 | 82.75 | 85.07 | 85.48 | 90.59 | 58.39 | 227.79 | 58.39 |
| 10 | Electronics, Radio TV etc. (15) | 90.81 | -0.1 | 23.58 | 5.60 | 6.31 | 6.30 | 91.04 | 90.97 | 91.71 | 93.84 | 120.64 | 105.82 | 64.29 | 202.57 | 64.29 |
| 11 | Household Goods (15) | 134.90 | -0.1 | 21.49 | 7.27 | 6.58 | 6.58 | 134.99 | 133.99 | 135.68 | 136.09 | 154.74 | 146.30 | 64.39 | 202.57 | 64.29 |
| 12 | Motors and Distributors (29) | 47.09 | +1.7 | 14.44 | 2.74 | 10.43 | 10.43 | 46.30 | 46.16 | 46.77 | 47.43 | 47.63 | 52.41 | 69.11 | 252.76 | 68.44 |
| 13 | CONSUMER GOODS (NON-DURABLE) (164) | 133.83 | +0.3 | 14.99 | 6.03 | 9.44 | 9.43 | 142.92 | 138.74 | 144.95 | 138.14 | 141.55 | 151.55 | 61.98 | 226.08 | 61.41 |
| 14 | Breweries (16) | 146.81 | +0.8 | 14.23 | 6.75 | 10.43 | 10.43 | 144.96 | 141.13 | 146.91 | 151.07 | 148.37 | 151.55 | 61.98 | 226.08 | 61.41 |
| 15 | Wines and Spirits (8) | 129.32 | +0.1 | 18.57 | 5.88 | 10.86 | 10.86 | 126.04 | 124.81 | 126.84 | 127.87 | 153.30 | 147.59 | 64.29 | 202.57 | 64.29 |
| 16 | Entertainment, Catering (16) | 145.48 | +0.3 | 15.40 | 7.64 | 6.26 | 6.26 | 147.11 | 139.00 | 144.07 | 147.76 | 136.10 | 144.02 | 58.39 | 227.79 | 58.39 |
| 17 | Food Manufacturing (23) | 140.76 | +0.1 | 17.77 | 5.28 | 10.05 | 10.01 | 148.96 | 144.84 | 148.14 | 148.83 | 131.16 | 131.16 | 64.29 | 202.57 | 64.29 |
| 18 | Food Retailing (16) | 137.02 | +0.7 | 11.18 | 4.53 | 13.28 | 13.28 | 136.07 | 134.50 | 136.18 | 136.79 | 107.80 | 116.51 | 69.11 | 252.76 | 68.44 |
| 19 | Newspapers, Publishing (15) | 136.07 | -0.7 | 20.29 | 7.02 | 7.88 | 7.88 | 137.73 | 135.19 | 137.25 | 139.53 | 153.38 | 148.72 | 55.08 | 260.29 | 55.08 |
| 20 | Packaging and Paper (13) | 103.67 | -0.1 | 21.34 | 6.26 | 8.80 | 8.81 | 105.79 | 101.24 | 102.98 | 105.45 | 105.45 | 108.16 | 45.46 | 138.69 | 45.46 |
| 21 | Stores (30) | 133.80 | +0.2 | 11.25 | 5.17 | 13.17 | 13.17 | 121.19 | 119.96 | 121.84 | 125.47 | 95.80 | 122.96 | 69.11 | 252.76 | 68.44 |
| 22 | Textiles (19) | 134.58 | +0.6 | 26.51 | 7.47 | 4.28 | 4.27 | 133.76 | 131.14 | 133.88 | 135.00 | 131.79 | 142.59 | 62.91 | 255.72 | 62.66 |
| 23 | Tobacco (3) | 177.59 | -1.4 | 19.66 | 7.51 | 7.46 | 7.46 | 178.29 | 177.39 | 178.99 | 187.19 | 181.16 | 193.16 | 109.92 | 339.15 | 109.92 |
| 24 | Toys and Games (6) | 41.17 | - | 27.03 | 7.48 | 6.05 | 5.03 | 41.17 | 41.58 | 41.85 | 41.85 | 43.11 | 43.61 | 69.11 | 252.76 | 68.44 |
| OTHER GROUPS (52) | | | | | | | | | | | | | | | | |
| 25 | Chemicals (25) | 167.90 | +0.6 | 20.24 | 5.30 | 6.82 | 6.82 | 166.06 | 165.46 | 166.15 | 169.25 | 145.16 | 169.25 | 75.14 | 301.93 | 71.20 |
| 26 | Office Equipment (10) | 93.84 | +1.8 | 18.08 | 5.90 | 8.98 | 8.98 | 92.18 | 93.54 | 95.60 | 94.78 | 118.48 | 122.96 | 69.11 | 252.76 | 68.44 |
| 27 | Shipping (11) | 972.35 | +2.8 | 23.48 | 6.54 | 5.08 | 4.95 | 950.56 | 955.57 | 959.51 | 968.00 | 954.85 | 1001.56 | 69.11 | 252.76 | 68.44 |
| 28 | Miscellaneous (46) | 145.37 | +0.6 | 17.53 | 6.78 | 5.08 | 5.08 | 142.28 | 140.83 | 145.48 | 144.22 | 138.28 | 142.14 | 60.39 | 259.10 | 60.39 |
| 29 | INDUSTRIAL GROUP (496) | 139.52 | +0.7 | 17.41 | 6.16 | 8.16 | 8.14 | 131.54 | 129.62 | 131.68 | 134.30 | 120.93 | 137.47 | 59.16 | 220.17 | 59.01 |
| 30 | OILS (4) | 269.27 | +1.0 | 27.31 | 5.72 | 5.93 | 5.86 | 267.01 | 260.24 | 259.11 | 265.56 | 234.98 | 265.57 | 60.38 | 431.55 | 60.38 |
| 31 | 500 SHARE INDEX | 145.87 | +0.8 | 18.86 | 6.12 | 7.06 | 6.91 | 142.77 | 140.65 | 142.46 | 145.50 | 120.64 | 145.85 | 62.49 | 227.95 | 62.49 |
| 32 | FINANCIAL GROUP (100) | 139.85 | +1.2 | - | 5.19 | - | - | 157.19 | 135.27 | 137.28 | 140.36 | 120.75 | 147.98 | 56.50 | 241.61 | 56.50 |
| 33 | Banks (6) | 145.82 | +0.7 | 24.85 | 5.29 | 5.99 | 5.99 | 147.24 | 142.88 | 145.57 | 152.56 | 141.62 | 163.68 | 68.56 | 288.32 | 68.44 |
| 34 | Discount Houses (9) | 127.87 | -0.3 | - | 8.19 | - | - | 138.16 | 138.44 | 137.19 | 136.92 | 135.81 | 139.27 | 51.18 | 235.13 | 51.18 |
| 35 | Hire Purchase (5) | 100.04 | -2.2 | 34.90 | 9.16 | 2.84 | 4.89 | 102.51 | 101.55 | 103.59 | 106.89 | 221.74 | 103.59 | 69.11 | 252.76 | 68.44 |
| 36 | Insurance (Life) (9) | 112.75 | +2.4 | - | 8.95 | - | - | 110.08 | 110.15 | 111.94 | 115.80 | 99.57 | 127.87 | 44.48 | 194.48 | 44.48 |
| 37 | Insurance (Composite) (7) | 113.49 | +3.1 | - | 6.76 | - | - | 110.02 | 109.52 | 109.64 | 112.73 | 79.73 | 114.39 | 44.48 | 155.78 | 44.48 |
| 38 | Insurance (Brokers) (8) | 201.69 | +2.7 | 9.80 | 4.20 | 13.05 | 15.05 | 194.48 | 194.45 | 192.98 | 195.40 | 168.07 | 201.69 | 69.11 | 252.76 | 68.44 |
| 39 | Merchant Banks (19) | 84.79 | -0.3 | - | 7.56 | - | - | 84.28 | 84.55 | 85.84 | 86.79 | 71.80 | 94.37 | 51.21 | 257.57 | 51.21 |
| 40 | Property (32) | 220.85 | -0.8 | 4.11 | 2.85 | 54.93 | 33.60 | 222.62 | 218.95 | 224.23 | 225.83 | 160.56 | 244.90 | 69.11 | 252.76 | 68.44 |
| 41 | Miscellaneous (5) | 69.26 | -0.2 | 16.59 | 9.58 | 8.56 | 8.46 | 69.48 | 70.29 | 70.46 | 71.62 | 100.79 | 72.78 | 69.11 | 252.76 | 68.44 |
| 42 | Investment Trusts (50) | 172.85 | +0.4 | 2.92 | 4.01 | 54.27 | 54.27 | 171.54 | 171.14 | 172.55 | 172.77 | 132.01 | 172.77 | 73.45 | 245.79 | 71.61 |
| 43 | ALL-SHARE INDEX (650) | 143.43 | +0.8 | - | 5.79 | - | - | 142.23 | 140.27 | 142.08 | 144.81 | 127.74 | 147.45 | 60.16 | 228.18 | 61.92 |
| COMMODITY GROUPS (Not included in 500 or All-Share indices) | | | | | | | | | | | | | | | | |
| 44 | Rubbers (10) | 509.65 | -0.5 | 10.05 | 9.38 | 11.71 | 11.85 | 511.35 | 512.36 | 510.55 | 515.73 | 411.39 | 515.72 | 281.65 | 615.27 | 54.75 |
| 45 | Tees (10) | 68.57 | -0.1 | 21.86 | 6.08 | 5.77 | 5.87 | 68.80 | 68.19 | 68.83 | 69.23 | 105.91 | 68.83 | 76.76 | 121.47 | 68.75 |
| 46 | Coppers (3) | 444.69 | -0.9 | 44.16 | 16.98 | 2.99 | 2.96 | 448.52 | 452.75 | 454.49 | 455.09 | 416.00 | 440.54 | 69.11 | 252.76 | 68.44 |
| 47 | Mining Finance (11) | 132.62 | -1.6 | 9.03 | 3.98 | 12.00 | 12.00 | 134.74 | 132.29 | 133.50 | 133.38 | 114.54 | 134.74 | 80.56 | 176.90 | 65.51 |
| 48 | Tins (8) | 108.86 | -0.7 | 9.38 | 7.53 | 13.72 | 11.79 | 105.76 | 106.00 | 104.95 | 105.98 | 100.51 | 109.66 | 69.11 | 252.76 | 68.44 |
| 49 | Overseas Traders (13) | 240.30 | -0.4 | 13.85 | 5.61 | 9.12 | 9.12 | 239.50 | 238.54 | 237.14 | 239.73 | - | 240.30 | 69.11 | 252.76 | 68.44 |

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| Friday, May 16 | Thurs |
| Notes | |

| | Index No. | 1940 % | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444 | 2445 | 2446 | 2447 | 2448 | 2449 | 2450 | 2451 | 2452 | 2453 | 2454 | 2455 | 2456 | 2457 | 2458 | 2459 | 2460 | 2461 | 2462 | 2463 | 2464 | 2465 | 2466 | 2467 | 2468 | 2469 | 2470 | 2471 | 2472 | 2473 | 2474 | 2475 | 2476 | 2477 | 2478 | 2479 | 2480 | 2481 | 2482 | 2483 | 2484 | 2485 | 2486 | 2487 | 2488 | 2489 | 2490 | 2491 | 2492 | 2493 | 2494 | 2495 | 2496 | 2497 | 2498 | 2499 | 2500 | 2501 | 2502 | 2503 | 2504 | 2505 | 2506 | 2507 | 2508 | 2509 | 2510 | 2511 | 2512 | 2513 | 2514 | 2515 | 2516 | 2517 | 2518 | 2519 | 2520 | 2521 | 2522 | 2523 | 2524 | 2525 | 2526 | 2527 | 2528 | 2529 | 2530 | 2531 | 2532 | 2533 | 2534 | 2535 | 2536 | 2537 | 2538 | 2539 | 2540 | 2541 | 2542 | 2543 | 2544 | 2545 | 2546 | 2547 | 2548 | 2549 | 2550 | 2551 | 2552 | 2553 | 2554 | 2555 | 2556 | 2557 | 2558 | 2559 | 2560 | 2561 | 2562 | 2563 | 2564 | 2565 | 2566 | 2567 | 2568 | 2569 | 2570 | 2571 | 2572 | 2573 | 2574 | 2575 | 2576 | 2577 | 2578 | 2579 | 2580 | 2581 | 2582 | 2583 | 2584 | 2585 | 2586 | 2587 | 2588 | 2589 | 2590 | 2591 | 2592 | 2593 | 2594 | 2595 | 2596 | 2597 | 2598 | 2599 | 2600 | 2601 | 2602 | 2603 | 2604 | 2605 | 2606 | 2607 | 2608 | 2609 | 2610 | 2611 | 2612 | 2613 | 2614 | 2615 | 2616 | 2617 | 2618 | 2619 | 2620 | 2621 | 2622 | 2623 | 2624 | 2625 | 2626 | 2627 | 2628 | 2629 | 2630 | 2631 | 2632 | 2633 | 2634 | 2635 | 2636 | 2637 | 2638 | 2639 | 2640 | 2641 | 2642 | 2643 | 2644 | 2645 | 2646 | 2647 | 2648 | 2649 | 2650 | 2651 | 2652 | 2653 | 2654 | 2655 | 2656 | 2657 | 2658 | 2659 | 2660 | 2661 | 2662 | 2663 | 2664 | 2665 | 2666 | 2667 | 2668 | 2669 | 2670 | 2671 | 2672 | 2673 | 2674 | 2675 | 2676 | 2677 | 2678 | 2679 | 2680 | 2681 | 2682 | 2683 | 2684 | 2685 | 2686 | 2687 | 2688 | 2689 | 2690 | 2691 | 2692 | 2693 | 2694 | 2695 | 2696 | 2697 | 2698 | 2699 | 2700 | 2701 | 2702 | 2703 | 2704 | 2705 | 2706 | 2707 | 2708 | 2709 | 2710 | 2711 | 2712 | 2713 | 2714 | 2715 | 2716 | 2717 | 2718 | 2719 | 2720 | 2721 | 2722 | 2723 | 2724 | 2725 | 2726 | 2727 | 2728 | 2729 | 2730 | 2731 | 2732 | 2733 | 2734 | 2735 | 2736 | 2737 | 2738 | 2739 | 2740 | 2741 | 2742 | 2743 | 2744 | 2745 | 2746 | 2747 | 2748 | 2749 | 2750 | 2751 | 2752 | 2753 | 2754 | 2755 | 2756 | 2757 | 2758 | 2759 | 2760 | 2761 | 2762 | 2763 | 2764 | 2765 | 2766 | 2767 | 2768 | 2769 | 2770 | 2771 | 2772 | 2773 | 2774 | 2775 | 2776 | 2777 | 2778 | 2779 | 2780 | 2781 | 2782 | 2783 | 2784 | 2785 | 2786 | 2787 | 2788 | 2789 | 2790 | 2791 | 2792 | 2793 | 2794 | 2795 | 2796 | 2797 | 2798 | 2799 | 2800 | 2801 | 2802 | 2803 | 2804 | 2805 | 2806 | 2807 | 2808 | 2809 | 2810 | 2811 | 2812 | 2813 | 2814 | 2815 | 2816 | 2817 | 2818 | 2819 | 2820 | 2821 | 2822 | 2823 | 2824 | 2825 | 2826 | 2827 | 2828 | 2829 | 2830 | 2831 | 2832 | 2833 | 2834 | 2835 | 2836 | 2837 | 2838 | 2839 | 2840 | 2841 | 2842 | 2843 | 2844 | 2845 | 2846 | 2847 | 2848 | 2849 | 2850 | 2851 | 2852 | 2853 | 2854 | 2855 | 2856 | 2857 | 2858 | 2859 | 2860 | 2861 | 2862 | 2863 | 2864 | 2865 | 2866 | 2867 | 2868 | 2869 | 2870 | 2871 | 2872 | 2873 | 2874 | 2875 | 2876 | 2877 | 2878 | 2879 | 2880 | 2881 | 2882 | 2883 | 2884 | 2885 | 2886 | 2887 | 2888 | 2889 | 2890 | 2891 | 2892 | 2893 | 2894 | 2895 | 2896 | 2897 | 2898 | 2899 | 2900 | 2901 | 2902 | 2903 | 2904 | 2905 | 2906 | 2907 | 2908 | 2909 | 2910 | 2911 | 2912 | 2913 | 2914 | 2915 | 2916 | 2917 | 2918 | 2919 | 2920 | 2921 | 2922 | 2923 | 2924 | 2925 | 2926 | 2927 | 2928 | 2929 | 2930 | 2931 | 2932 | 2933 | 2934 | 2935 | 2936 | 2937 | 2938 | 2939 | 2940 | 2941 | 2942 | 2943 | 2944 | 2945 | 2946 | 2947 | 2948 | 2949 | 2950 | 2951 | 2952 | 2953 | 2954 | 2955 | 2956 | 2957 | 2958 | 2959 | 2960 | 2961 | 2962 | 2963 | 2964 | 2965 | 2966 | 2967 | 2968 | 2969 | 2970 | 2971 | 2972 | 2973 | 2974 | 2975 | 2976 | 2977 | 2978 | 2979 | 2980 | 2981 | 2982 | 2983 | 2984 | 2985 | 2986 | 2987 | 2988 | 2989 | 2990 | 2991 | 2992 | 2993 | 2994 | 2995 | 2996 | 2997 | 2998 | 2999 | 3000 |
|-----------------------|--------------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----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| Consols 24% yield ... | — | 15.18 | 18.18 | 15.17 | 15.28 | 15.51 | 15.25 | 15.13 | 15.35 | 15.92 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | —</ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Base Value | Section |
|------------|---------|
|------------|---------|

| | | | | | |
|-----------------------|----------|--------|-------------------------|--------------|-------------|
| Commodity Traders | 31/12/70 | 136.80 | Miscellaneous Financial | 31/12/70 | 120.15 |
| Engineering (Heavy) | 31/12/70 | 259.00 | Food Manufacturers | 30/12/67 | 126.15 |
| Engineering (General) | 31/12/70 | 242.00 | Food Retailing | 30/12/67 | 124.15 |
| Engineering (Light) | 31/12/70 | 244.76 | Insurance Brokers | 30/12/67 | 95.67 |
| Gas and Carbon | 31/1/70 | 135.12 | Mineral Finance | 30/12/67 | 130.00 |
| Oil & Gas | 31/12/70 | 162.78 | Oil | 18/1/62 | 105.00 |
| Oil & Gas Development | 31/12/70 | 128.20 | † Redemption yield. | FT-Actuaries | Indices are |
| Oil & Gas Group | | | | | |

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Section Report—3-month Call rates

| OPTION DEALING DATES | | | | | |
|----------------------|---------|---------|----------|--|--|
| Deal- | Last | Last | For | | |
| ings | Deal- | Decla- | Set- | | |
| | ings | ration | ment | | |
| May 13 | May 27 | Aug. 7 | Aug. 19 | | |
| May 28 | Jun. 9 | Aug. 20 | Sept. 2 | | |
| Jun. 10 | Jun. 23 | Sept. 6 | Sept. 18 | | |

I.G. GOLD INDEX
165½-168½

CORAL INDEX
Close 340-345

— RISES AND FALLS

| YESTERDAY | | | |
|------------------------|-----|-----|------|
| British Funds | 39 | — | 14 |
| Corps., Dom. and | | | |
| Foreign Bonds | 19 | 16 | 1.11 |
| Industrials | 320 | 304 | 2.14 |
| Financial and Prop. L. | 228 | 111 | 28 |
| Oils | 6 | 9 | 17 |
| Plantations | 3 | 8 | 35 |
| Mines | 20 | 72 | 60 |
| Recent Issues | 14 | 19 | 24 |

LOCAL AUTHORITY BOND TABLE

| Authority (telephone number in parentheses) | Annual gross interest | Interest payable | Minimum sum | Life of bond |
|---|-----------------------------|---------------------|----------------|-----------------|
| Barking (01-592 4506) | 11 1/2 | 1-year | 1,000 | 2-5 |
| Belfast (0232 20202) | 12 | 1-year | 300 | 3-3 |
| Brom'sme (Waltham % 57593) | 12 | 1-year | 1,000 | 3-5 |
| Dudley (0384 21595) | 12 1/2 | 1-year | 1,000 | 3-4 |
| Greenwich (01-954 3538) | 12 | 1-year | 500 | 3-5 |
| Horsham (090 86 2333) | 12 1/2 | 1-year | 2,000 | 3-3 |
| Liverpool (031 227 3911) | 12 | 1-year | 500 | 3-5 |
| Reading (0734 55011) | 12 1/2 | 1-year | 500 | 2 |
| Ridbridge (01-478 3020) | 12 1/2 | 1-year | 5,000 | 3-5 |
| Sandwell (021 569 2226) | 12 | 1-year | 1,000 | 2-5 |
| Sefton (051 922 4040) | 12 1/2 | 1-year | 2,000 | 3-5 |
| Thurrock (0375 5132) | 11 | 1-year | 300 | 1-2 |
| West Yorks: (0824 73234) | 11 | 1-year | 1,000 | 3-4 |
| Wrekin (0953 3371) | 12 1/2 | 1-year | 2,000 | 3-5 |

EXERCISES

16/5/75

| Name and description | | Size (Em.) | Current price | Terms* | Conversion dates | Flat yield | Red. yield | Premium† | | Income | | | Cheap(+) Dear(-)‡ |
|------------------------------------|--|------------|---------------|--------|------------------|------------|------------|----------|------------|--------|--------|--------|----------------------|
| | | | | | | | | Current | Range‡ | Equ.§ | Conv.¶ | Diff.‡ | Current |
| Arrow Engineers 5pc P. Cv. 52-02 | | 7.28 | 50.00 | • | 77-87 | 17.0 | 17.2 | 99.4 | 88 to 140 | 16.3 | 48.1 | 126.6 | +27.2 |
| Alcan Aluminium 5pc Cv. 88-94 | | 12.00 | 82.00 | 100.0 | 76-80 | 11.4 | 11.6 | | | | | | |
| Associated Paper 9pc Cv. 85-90 | | 1.40 | 75.00 | 200.0 | 76-85 | 13.2 | 14.0 | 93.9 | 9 to 34 | 42.1 | 51.8 | 17.3 | -16.6 |
| Bank of Ireland 10pc Cv. 81-86 | | 10.25 | 138.00 | 22.8 | 77-90 | 7.4 | 6.5 | 15.4 | 15 to 41 | 48.8 | 61.7 | 10.9 | -4.5 |
| B 7 7pc Cv. 89-94 | | 5.00 | 75.00 | 62.0 | 72-80 | 10.5 | 11.1 | 26.0 | 12 to 35 | 22.3 | 27.4 | 8.6 | -17.4 |
| English Property 6pc Cv. 88-93 | | 19.98 | 124.00 | 224.0 | 76-80 | 3.5 | 2.0 | -8.0 | -14 to -2 | 32.2 | 23.0 | -4.6 | +3.4 |
| Metropolitan 10pc Cv. 91-96 | | 121.90 | 81.00 | 120.2 | 73-78 | 12.5 | 12.8 | 19.3 | 12 to 22 | 15.6 | 20.7 | 7.6 | -11.7 |
| Nelson Trust 6pc Cv. 88-93 | | 4.51 | 90.00 | 57.1 | 76-86 | 7.3 | 7.6 | 11.7 | 5 to 28 | 35.3 | 35.2 | 3.4 | -8.3 |
| Oms. J. 7 7pc Cv. 1981 | | 3.80 | 79.00 | 22.7 | 75-81 | 9.3 | 12.4 | 133.3 | 133 to 166 | 14.1 | 29.0 | 44.1 | -89.2 |
| Parcels Credit 9pc Cv. 1980 | | 13.14 | 79.00 | 138.0 | 76-80 | 11.6 | 15.4 | 120.2 | 62 to 120 | 0.0 | 29.8 | 83.1 | -37.1 |
| Scottish Automobile 10pc Cv. 85-90 | | 2.00 | 55.00 | 166.0 | 76-85 | 18.0 | 19.0 | 38.1 | -5 to 38 | 41.3 | 50.5 | 23.0 | -15.1 |
| Suez, Kemsley 9pc Cv. 1981 | | 7.33 | 83.00 | 153.8 | 74-79 | 9.7 | 11.9 | 28.5 | 23 to 60 | 15.5 | 23.8 | 12.8 | -15.7 |
| Wilkinson Match 10pc Cv. 83-86 | | 11.10 | 81.00 | 40.0 | 76-83 | 12.5 | 12.6 | 50.0 | 45 to 102 | 25.5 | 50.6 | 44.8 | -5.2 |

• 23 Ordinary "A" shares (non-convertible) plus 50 unsecured loan stock.
 † The convertible stock is convertible at 100% extra cost of investment in convertible approved as per cent. of the number of Ordinary shares into which £100 nominal of convertible stock is convertible.
 ‡ Three-month rates. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible.
 ¶ Income, expressed hence, is assumed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible at the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present value at 15 per cent. p.a. annum. † Income on £100 of convertible stock is assumed to grow at 5 per cent. p.a. annum. ‡ Income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. § The difference between the premium and income. Difference expressed as per cent. of the value of the underlying equity. † is an indication of relative cheapness. ‡ is an indication of relative dearthness.

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MAN OF THE WEEK



He wants more freedom

BY RAY DAFTER

THE FORMATION of a new, enlarged group of nationalised industry heads has again pushed Mr. Marshall to the fore. He is chairman of the group, as he is also committee chairman for the heads of the "Big Seven" industries.

The newly-established group has formidable industrial muscle—at least theoretically—with a total labour force in its charge of around 2m. Not that Mr. Marshall sees it as a pressure group inducing in power politics. It would be more deliberative, he said, striving for a greater and more regular dialogue with Government.

Debatable it may be, but Mr. Marshall has demonstrated—both as a Cabinet member and, for the past four years as chairman of British Rail—that he prefers positive action to prevarication, the heat of political controversy to the shade of anonymity.

Characteristic

It was perhaps characteristic of the man that when he was sacked from Mr. Wilson's Cabinet in 1980, at the tender age of 42, he immediately staged a party. The impromptu get-together was held partly because he "had nothing to do," and partly because he felt his ousting signified his coming of age in politics.

So it was again with characteristic flourish that on Wednesday he told the Government to stop meddling in the day-to-day running of the railways.

He reckoned that British Rail could be restored to financial stability within two or three years if it were given freedom to manage itself within a clear and consistent policy framework.

It is a message he has repeated often, and it points to the only factor which is spoiling his obvious enjoyment of being British Rail chairman: sheer frustration at the lack of a clear Government policy for the railways and a transport system as a whole.

But then Mr. Marshall did not take on the job blindfolded. Indeed, he admits that as a politician and Cabinet member he was partly responsible for the frustrations of previous railway chairmen. Having changed sides, however, he now sees "with greater force" that politicians should keep out of the day-to-day management of nationalised concerns.

A challenge

Having ripped wide the raw up the political ladder—at one stage he was being tipped as a future Prime Minister—the chairmanship of a major nationalised industry provided Mr. Marshall with the sort of challenge he relishes.

It was apposite that the industry should be the railways for he was brought up in the railway town of Swindon at a time when clocks were set by the railway works hooter. His father and grandfather were railwaymen, so he grew up with knowledge of the traditions of the industry.

Shortly after his appointment he told a union conference: "I have staked my future on the potential success of the railways."

The ebullient Mr. Marshall must, therefore, be concerned at the way British Rail has been slipping in economic terms. The gap between costs and earnings of the present system is well over £500m.; if this state of affairs persists, the gap could exceed £1bn. in five years time.

Mr. Marshall has resisted making further major cuts. That he says means backing at the core of the railway system rather than the periphery as undertaken by Lord Beeching.

Nevertheless, he is confident that the railways could be put on a sounder financial base—the profit-making enterprise—provided the Government stops interfering and stops altering the investment programme every six months or so. Which is why Mr. Marshall, using his political expertise, made his impassioned, but deliberate, appeal to the Government this week.

Car men return next week after Dunlop settlement

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

NEARLY 19,000 motor industry workers will be recalled to work next week after the acceptance yesterday by 700 staff at Dunlop Engineering, Coventry, of a new pay deal.

This ended a month's strike which has caused 2,500 Dunlop workers to be made idle together with 16,500 at British Leyland car factories in the Midlands and Merseyside, who will be progressively recalled from Monday as supplies of Dunlop suspension units and wheels resume.

Of the 700 strikers at Dunlop 500 are women, who have won an extra £7 a week backdated to March 1. This will raise their range of earnings to £31.48-£42.08. In June they will get another £1 and in November a new grading structure will be put forward that will be in step with equal pay provisions.

Chrysler

The men have accepted increases ranging from £7.35 to £8.51 and will now get paid £40-£51.50.

Meanwhile the Chrysler strike has resulted in another 7,000 workers in Coventry and at Linwood, Scotland, being laid off and from Monday there will be no car production at all. The 4,000 on strike at the Stoke, Coventry, engine factory are insisting on an £8 immediate offer to be followed by negotiations towards £15 from July 1. Also in Coventry 4,500 tractor workers at Massey-Ferguson begin the third week of a strike for a substantial increase in pay. The strikers have been picketing the plant with the result that staff workers have had to work from various hotels in the area and from their homes.

Under pressure from the unions, Ford Motor Company yesterday reversed its decision to withhold all lay-off pay from some 6,500 workers this month, the majority of whom have been made idle by the three-week-old strike of 30 door-hangers and fender-fitters at Dagenham.

If they were working, the men would be on a three-day week and Ford will now continue to pay them for the two days a week they would be laid off in any case. The decision not to pay for these two days was taken earlier this week.

The door-hangers' manning dispute has made 5,000 other Dagenham workers idle and so far cost Ford production of some 7,500 cars, worth about £15m. in retail terms.

Britain interested in EEC loan plan to ease energy payments

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, May 16

BRITAIN, TOGETHER with Italy and Denmark, has expressed interest in a European Community loan to help offset the impact of the energy crisis on the balance of payments, officials here said today.

The loan would be raised under an EEC recycling scheme, agreed at the end of last year, under which the Community would borrow money from oil-producing countries and re-lend to member States with balance of payments difficulties.

The officials said that British interest in the scheme did not

necessarily represent a definite request to borrow. Member States were asked by the Commission whether or not they might want loans, and Britain said it intended to keep its options open. A formal request for the scheme if it left the EEC. The Italian request, on the other hand is understood to be more definite. Community Finance Ministers have authorised the raising of up to \$3bn. in a first stage of the operation, and Italy has from the beginning made it clear that it would probably be the first candidate for a borrowing.

If Italy borrowed most of the funds available, Ministers would have to take a further decision to increase the sums available if the U.K. also wanted to draw at a later stage.

Nevertheless, arrangements are still far from complete to raise the money from the oil producers. Herr Wilhelm Haferkamp, Commission vice-president for economic and monetary affairs, is expected to report to Finance Ministers on the scheme's progress when they meet here for a Council session next week.

Sterling quietly steady

BY MICHAEL BLANDEN

THE POUND held steady in exchange markets yesterday as conditions continued relatively calm after the burst of pressure on sterling in the week.

The average rate of the pound from December, 1971, levels ended at 24.9 per cent., a little weaker than the previous day's 24.8 per cent. It was reported, however, that in quiet markets the Bank of England had no need to intervene in support of the pound.

There was a slight flurry of activity after the announcement of the U.K. retail price rises, but conditions calmed down again. And the news of an unchanged 10 per cent. Bank of England minimum lending rate made no impact, in spite of the feeling earlier this week that it might be allowed to rise to help the pound.

The slight drop in sterling reflected mainly a renewed rise in leading Continental currencies. Against the dollar, sterling was 10 points higher at \$2.3025.

The signs were that the market had accepted that the U.K. authorities are content for the moment to see the pound at around a 25 per cent. depreciation from December, 1971, levels. It was made clear on Tuesday when the rate reached 25.2 per cent., that the Bank wanted to arrest the decline in sterling when it intervened on a relatively substantial scale.

Since then, attention has been diverted from sterling by the temporary effect on the dollar of the Cambodian situation, while Wednesday's trade figures, markedly better than had been expected, have helped to steady the situation.

It appears that the Bank is content that MLR should have stayed at 10 per cent., the level to which it rose a fortnight ago, helping to keep down domestic interest rates.

This has been supported by further signs of a downturn in rates in other countries. Following Thursday's news of a cut in the U.S. Federal Reserve's discount rate to 10 Federal Reserve banks from 6.25 to 6 per cent., the Swiss authorities yesterday announced a cut in their bank rate.

The rate is reduced from next Tuesday from 5 to 4 1/2 per cent., following a reduction from 5 1/2 per cent. as recently as March 3. The cut is intended to strengthen the interest gap between Switzerland and other countries, and is accompanied by a reduction in the Lombard rate—which was not cut in March—from 6 to 5 1/2 per cent.

Bank of America and Morgan Guaranty yesterday cut their prime rates from 7 1/2 to 7 per cent. They join Citibank which has had its prime rate at this level for the past seven weeks, in contrast to all other major U.S. banks which have kept it at 7 1/2 per cent. The move reflects the decline in short-term interest rates and follows yesterday's cut in the Federal Reserve discount rate from 6 1/2 to 6 per cent.

Gulf Oil 'made to pay S. Koreans \$4m.'

BY ADRIAN DICKS

THE CHAIRMAN of Gulf Oil, Mr. Bob Dorsey, revealed today that his company was forced in 1966 and 1970 to pay a total of \$4m. to the ruling Democratic Republic of South Korea.

It had done so, Mr. Dorsey told Senator Frank Church's subcommittee on multi-national corporations, after intense pressure from the Korean party officials "which left little to the imagination as to what would occur if the company should choose to turn its back on the request."

He assessed Gulf assets in South Korea at \$350m. at the time of the second request.

The Gulf chairman's detailed description of the South Korean episode has given a new degree of clarity to the growing public furor here over bribes of

foreign officials by U.S. companies. Yesterday the chairman of Exxon, Mr. J. K. Jamieson, admitted that his company had made what he called entirely legal contributions to political parties in Italy and Canada. Other large corporations known to be under investigation include Minnesota Mining and Manufacturing, Norther, Phillips Petroleum, and United Brands.

Mr. Dorsey's revelations also cast new light on debate over the future of the U.S. commitment to South Korea. Senator Church and several of his colleagues showed anger at the fact that the governing party in Seoul should have dared in effect to blackmail Gulf during a period when the U.S. was contributing heavy economic aid.

Responding indirectly to this point today, Dr. Kissinger, the Secretary of State, insisted on drawing a distinction between South Korean domestic affairs and the U.S. commitment to defend the country, which he emphasised, remained important to America's own interests and to the security of Japan.

Yesterday, the State Department issued a guarded statement condemning bribes by U.S. companies in countries where they did business, but suggesting that it was up to foreign Governments themselves to lay down the rules.

Accepting full personal responsibility for authorising the two payments to the Democratic Republic of South Korea, Mr. Dorsey said he would, from midnight, have acted otherwise. But he repeated that he and other Gulf officials were subjected to strong and abusive pressure by Mr. S. K. Kim, the party's chief fund-raiser.

The Gulf chairman said he did not know for certain whether President Park of South Korea knew of the payments, but "felt sure" he could not have been unaware of them. He also said he assumed that other

Scanlon for NVT Board—Benn

BY PETER CARTWRIGHT

MR. ANTHONY Wedgwood Benn, Industry Secretary yesterday nominated Mr. Hugh Scanlon, Engineering Union leader, to the Board of Norton Villiers Triumph, the motorcycle manufacturing company.

When the company was created in July 1973, by means of a merger between the BSA and Manganese Bronze motorcycle interests, the Conservative Government provided financial aid under the 1972 Industry Act. The Government insisted on the

building society vividly underlines the way that savers are still prepared to follow the rules of a conventional economic cycle, despite the temptations of a Budget spending spree and rapidly accelerating inflation. The story is likely to be confirmed by the other savings media. National Savings started to pick up sharply in February, and the sluggishness apparent in the latest retail figures (for March) provided further evidence of the fact that savers are still running at a record proportion of earnings.

The probability that retail prices, up almost 4 per cent. in April, will rise on a similarly large scale in May will really test the saver's willingness to put up with increasingly negative real returns, and the Government's two indexed savings schemes will be providing an extremely attractive, if limited, alternative in a few weeks' time. Meanwhile, this embarrassment of cash is one source of the continuing downward pressure on interest rates from domestic sources. Another was clearly evident in this week's report from the CBI about the corporate sector's improving financial health, and its falling level of activity. These trends provide part of the framework for this year's rise in share prices, and they remain intact.



Mr. Hugh Scanlon: first Government nominee.

right to appoint its own nominee to the Board of the company, but this right has not, until now, been exercised.

During 1973 and 1974 the financial position of NVT was seriously affected by the sit-in at Meriden, one of the three factories in the group and the one originally scheduled for closure. When the Meriden co-operative was formed with Government support, the company warned that, forced to operate with three factories instead of two, it would need Government assistance on a much larger scale.

This has led to suggestions that ultimately the Government might need to bring the whole motorcycle industry into public ownership, but there has been no move in this direction yet and it is not clear how nationalisation would affect the position of the Meriden co-operative.

Mr. Scanlon is in Blackpool attending the Engineering Unions policy-making conference of the national committee and was unavailable last night.

Mr. Dennis Poore, NVT chairman, said that while the approval of the Board—which meets on Thursday—could not reasonably be withheld, it could not be assumed in advance that it would automatically endorse Mr. Scanlon's nomination.

Engineers post vote up to Scanlon, Page, 15

Public control

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Engineers post vote up to Scanlon, Page, 15

foreign companies had been subjected to similar persuasion.

Mr. Dorsey also revealed details of payments worth some \$460,000, including a helicopter, to the late President René Barrientos of Bolivia. Acting through the Bahamas ex-cis, the Gulf paid \$50,000 in 1970 towards a Beirut-based public relations campaign intended to improve the image of the Arab world in the U.S.—an admission that may do more than anything to damage the already low standing of the oil industry in the eyes of the Americans.

Finally, he said the company did not yet know the full extent of political contributions abroad, though "I will say that some of these expenditures involve Italy." In all, however, he said some \$5m. had been spent on such purposes, plus about \$5.3m. more within the U.S. up to July 1973.

Today's revelations, though they seem to exonerate several other countries mentioned in earlier reports of Gulf's activities, may well have come too late to undo the damage. Venezuela earlier this week threatened to cut off Gulf's production, while Peru seized its remaining assets.

In another development to-night, the Securities and Exchange Commission announced a consent order against Ashland Oil, the largest U.S. independent refiner, and three of its top management. The suit charges them with paying more than \$4m. abroad without adequate accounting procedures since 1967, and with maintaining an \$800,000 secret cash fund for political contributions.

The consent decree is a procedure whereby defendants agree to desist from the practices complained of by the SEC without admitting or denying guilt, and also agree to details of the charges being made public.

WASHINGTON, May 16

America's Business Watergate, Page 14

THE LEX COLUMN

Savers follow the rules

Index rose 6.3 to 341.8

both of which made a relatively slow start to the market upswing, have moved sharply ahead since the Budget along with other overseas earners like the insurance brokers. By contrast, one or two of the early market leaders seem to be starting to run out of momentum. The merchant bank group has trailed noticeably since March.

TOP PERFORMING SHARES IN FOUR WEEKS TO MAY 15

| Share | % change |
|---------------------|----------|
| Allied Irish Banks | 36 |
| Gill & Duffus | 34 |
| Tanganyika Cons. | 34 |
| BSA | 31 |
| Slough Estates | 31 |
| English Prop. | 28 |
| Blackwood Hodge | 28 |
| Asst. Biscuit | 28 |
| Ulster | 27 |
| Michell Cons. | 27 |
| EMI | 26 |
| RTZ | 26 |
| Stenhouse | 25 |
| Dalgety | 24 |
| Alexander-Henderson | 24 |
| Leinster | 24 |
| Lead Industries | 23 |
| Wood Hall Trust | 23 |
| Imp. Cont. Gas | 23 |
| FT Industrial Index | -1 |

Source dataSTREAM.

Irish excitement

Will the Irish pound become a hard currency? Over the past week Allied Irish Banks, Waterford Glass, Jefferson Smurfit and the Bank of Ireland—four of the half-dozen or so Irish shares to attract institutional investment—have outperformed the market by a handsome margin. Obviously the limited size of the sector is one factor behind its recent buoyancy, but another—the idea that the Irish currency is about to break away from a bedevilled sterling and that Irish shares are about to gain from the injection of the dollar premium—needs an Irish accent to make it sound convincing.

Political statements on the subject have been understandably negative. The country's inflation rate is roughly in line with that of the U.K., fuelled substantially by internal wage demands; while Eire's trade links with the U.K. remain enormous. About half of Irish exports come into the U.K. while Britain's share of the country's imports is nearer 60 per cent.

Of course, Ireland's inflation rate is not helped by the economic ties with the U.K.; and if our EEC referendum returns a resounding no next month, the Dail may have to re-think its present low-key policies—despite what a free currency float would do to isolate Ulster further. Longer-term, the arguments for the Irish economy hinge on a predominantly agricultural base within the EEC.

Meantime, a rise of 90 per cent. by the Dublin stock market this year has allowed £18m. of convertible stocks to be issued, a move that was started a year ago by a £10m. funding from Bank of Ireland.

Share prices

The bull market in equities has moved into a new phase over recent weeks. During the first few months of this year, one of the more helpful investment tools was a pin, and almost anything that looked like a share certificate was a buy. But recently the market has become very much more selective, and it has been just as easy to lose money as to make it.

The most marked feature since the Budget has, of course, been the big swing towards companies with overseas interests. Our table shows the top performing big companies (market capitalisation of £20m. or more) during the past four weeks, and it is liberally peppered with international traders of one kind or another. Shorter term performance tables show a very similar picture.

This helps to explain why the oil and investment trust sectors, and even favourites like building materials or construction are not quite as strong as they were.

But sector movements only tell part of the story. When it comes to individual shares, one striking feature is the setback seen in some of the financially stretched groups—companies which were bombed almost out of sight at the start of the year, and which subsequently registered huge percentage increases. Now, however, falls of two-fifths or more are evident among some of the householders, like Northern Developments, despite the apparent improvement in their trading prospects. Lex service is 44 per cent. off its high; the consumer finance companies have fallen back sharply.

Elsewhere the steadiness of Redland relative to, say, London Brick may again be partly to do with its overseas links. The same applies to Wimpey and Taylor Woodrow, which are still pressing up to their high points in marked contrast to the very

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2. The rate of inflation in the U.S.A. is anticipated to continue falling significantly.
3. The dollar appears undervalued and the U.S. balance of payments is fundamentally sound.
4. U.S. interest rates have fallen sharply.
5. The U.S.A. is too "self-sufficient as to food and so", as to oil.
6. Both political parties, and the Labour unions, are totally committed to a capitalist economy.

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- * You substantially avoid exposure to the \$ premium which means that most of your money

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- * You receive a valuation and detailed portfolio report bi-monthly.
- * You gain the benefit of Schlesingers' proven international investment management together with the important tax and other advantages available to a unit trust vehicle.

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Please write to us for a copy of the latest American "PIMS" report which explains in greater detail our views on Wall Street. If you would like to discuss your personal requirements in detail please contact Douglas Aitken, Director, on 01-409 3100.

The Portfolio

As at May 15th 1975, the portfolio was invested as to 58% in the stocks below, 22% awaiting investment.

| | |
|-------------------|------------------------|
| Amco | IBM |
| American Home | Johnson & Johnson |
| Procter & Gamble | Leaves Fund of Boston |
| Amstar | May Dept. Stores |
| Telephone | Minnesota Mining |
| Avco | North West Airlines |
| Bethlehem Steel | Old |
| Boeing | Pacific Gas & Electric |
| Bristol Myers | Phillips Morris |
| Boycott | Procter & Gamble |
| Caterpillar | Safeway |
| Chemical Bank | Standard Drug-Vet |
| Coca Cola | Standard Brands |
| Columbia Gas | Standard Oil (Indiana) |
| Dow Chemical | Standard Oil (Ohio) |
| Eastman Kodak | Time Utilities |
| El Lilly | Union Carbide |
| Emory | Union Carbide |
| Federal Reserve | Union Carbide |
| General Motors | Union Carbide |
| General Motors | Union Carbide |
| Halliburton | Union Carbide |
| Hercules | Union Carbide |
| Johnson & Johnson | Union Carbide |

The Fund was launched in August 1974 and shows an offer price appreciation since then of 21.2%, compared with a rise of 9.9% in the Dow Jones Index. Since January 1st 1975 the unit price has risen 39%.

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